




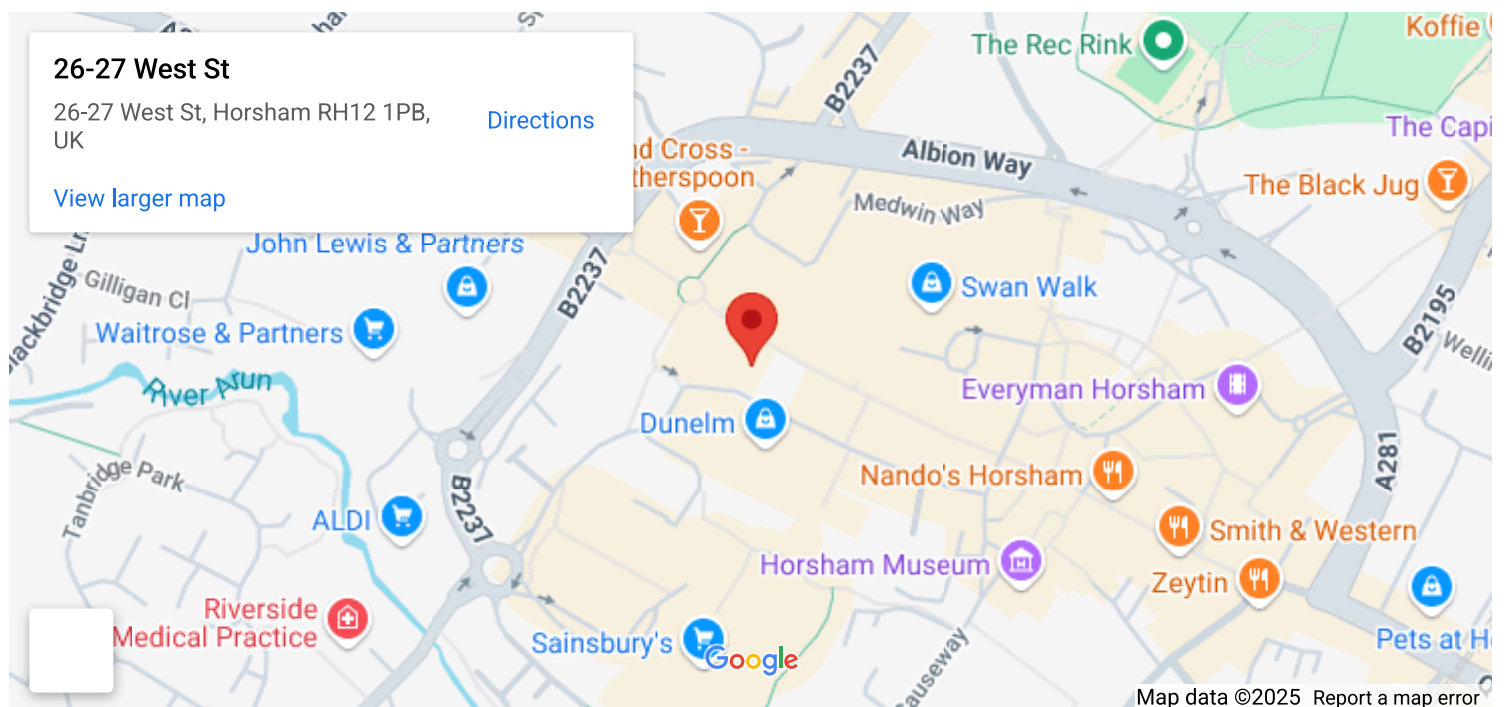
## South-East Retail/Office Investment – Greggs, British Heart Foundation

 26-27 West Street, Horsham, United Kingdom, RH12 1PB

FOR SALE 

£ 1,330,000 Subject to contract

### Location



Horsham is an affluent historic market town in West Sussex, located approximately 66 km (41 miles) south of Central London, 40 km (25 miles) north of Brighton and 14.5 km (9 miles) south-west of Crawley.

The town benefits from good road communications being situated 2.4 km (1.5 miles) east of the A24 dual carriageway which links directly to the south coast. Junction 11 of the M23 Motorway is approximately 9.6 km (6 miles) to the east which in turn connects with the M25 Motorway to the north.

There are regular rail services to London Victoria (52 minutes) and London Bridge (55 minutes), making it popular with commuters given its proximity to London.

London Gatwick Airport is approximately 22 km (14 miles) to the north-east.

## Summary

- South-East retail/office investment
- Prime town centre location
- Two retail units let to highly secure covenants – Greggs & British Heart Foundation
- Self-contained multi-let office suites on the upper parts
- Active management opportunities
- Potential change of use to residential on upper floors, subject to planning
- Freehold
- £1,330,000, subject to contract
- 10.0% Net Initial Yield
- Implied yield of 8.0% on the retail element
- Implied value of £540,000 on the office uppers reflecting 13.1% and £121 per sq ft (compared to residential values of £350-£400 per sq ft)

## Situation

The property occupies a prime retailing pitch on the pedestrianised West Street. Surrounding occupiers include Vision Express, Mountain Warehouse, Savers, Boots and Poundland.

The property benefits from being in close proximity to one of the entrances to Swan Walk Shopping Centre. Offering 250,000 sq ft of high-quality retail space, stores include H&M, Next, M&S, JD Sports, Boots, Costa and Sports Direct. The centre also benefits from a 900-space car park.

Horsham Bus Station is immediately to the rear of the property.

## Description

The property comprises a mixed-use building with two retail units on ground floor with office accommodation above on first and second floors.

The retail units are largely open plan and have been fitted out by the tenants to their usual corporate style.

The office accommodation is self-contained with a separate entrance via the High Street and is currently configured to provide five office suites.

The property benefits from a servicing and car parking area at the rear, accessed via Black Horse Way.

Accommodation

The property has been measured by BKR Floor Plans and provides the following accommodation:

26 West Street – British Heart Foundation

Net Frontage	4.14m	13’7”
Gross Frontage	4.75m	15’7”
Zone A	24.43 sq m	263 sq ft
Zone B	26.29 sq m	283 sq ft
Zone C	30.10 sq m	324 sq ft
Remainder	26.20 sq m	282 sq ft
ITZA		521
Total	107.02 sq m	1,152 sq ft

27 West Street – Greggs

Net Frontage	4.17m	13’8”
Gross Frontage	4.78m	15’8”
Zone A	23.13 sq m	249 sq ft
Zone B	28.52 sq m	307 sq ft
Zone C	32.05 sq m	345 sq ft
Remainder	24.90 sq m	268 sq ft
ITZA		522
Total	108.60 sq m	1,169 sq ft

Offices

First Floor Front (Psysoft)	82.77 sq m	891 sq ft
First Floor Rear (Daisy)	130.06 sq m	1,400 sq ft
Second Floor, Suite 3 (Wavenet)	48.96 sq m	527 sq ft
Second Floor, Suite 4 (Ben Cluer)	98.20 sq m	1,057 sq ft
Second Floor, Suite 5 (Nuworks)	54.35 sq m	585 sq ft
Total	414.33 sq m	4,460 sq ft

A set of floor plans is available to download and the measured survey report will be assigned to a purchaser at a cost of £690.00 + VAT.

EPC’s

26 West Street (BHF)	C
27 West Street (Greggs)	C
Unit C, First Floor	B
Unit D, First Floor	C
Suite 3, Second Floor	B
Suite 4, Second Floor	E
Suite 5, Second Floor	D

Rateable Value

According to the Valuation Office website the rateable value for the property is as follows:

26 West Street (BHF)	Shop & Premises	£30,500
27 West Street (Greggs)	Shop & Premises	£31,250
First Floor Front	Offices & Premises	£12,250
First Floor Rear	Offices & Premises	£18,750
Second Floor, Suite 3	Offices & Premises	£6,000
Second Floor, Suite 4	Offices & Premises	£10,250
Second Floor, Suite 5	Offices & Premises	£6,000

The business rates multiplier is 49.9 pence per pound.

Tenure

Freehold.

## Tenancies

The property is multi-let to seven tenants, producing a total net income of **£140,374 per annum**.

The income is split as follows:

Retail	£66,750 per annum	48%
Office	£74,363 per annum	52%

Please refer to the summary below and tenancy schedule which is available to download.

### 26 West Street – Ground Floor

Let to **British Heart Foundation** on a full repairing and insuring lease for a term of 5 years from 12<sup>th</sup> June 2023, expiring on 11<sup>th</sup> June 2028. There is a tenant’s break option on 11<sup>th</sup> June 2026, subject to six months’ notice. The current passing rent is **£28,500 per annum**.

The tenant has been in occupation since at least March 1993 (32 years).

### 27 West Street – Ground Floor

Let to **Greggs PLC** on a full repairing and insuring lease for a term of 10 years from 18<sup>th</sup> April 2019, expiring on 17<sup>th</sup> April 2029 (approximately 4 years unexpired) at a passing rent of **£38,250 per annum**.

The tenant has been in occupation since at least June 2003 (22 years).

### Unit C, 1<sup>st</sup> Floor

Let to **Psysoft Limited** on a full repairing and insuring lease from 25<sup>th</sup> March 2025, expiring on 28<sup>th</sup> September 2027.

The tenant recently renewed their lease and is currently paying a rent of £14,850 per annum (inclusive of service charge), rising to £16,000 per annum on 29<sup>th</sup> September 2025.

The tenant has been in occupation since 2015.

### Unit D, 1<sup>st</sup> Floor



Let to **Wavenet Limited** on a full repairing and insuring lease (subject to a Schedule of Condition) for a term of six years from 9<sup>th</sup> January 2022, expiring on 10<sup>th</sup> January 2028. There is a tenant's break option on 9<sup>th</sup> January 2026, subject to six months' notice.

The current passing rent is **£20,944 per annum**, rising to £21,363 per annum on 10<sup>th</sup> January 2026 and £21,790 per annum on 10<sup>th</sup> January 2027.

#### Suite 3, 2<sup>nd</sup> Floor (Front).

Let to **Aderco Limited** on a full repairing and insuring lease from 22<sup>nd</sup> March 2024, expiring on 21<sup>st</sup> March 2029. There is a tenant's break option on 31<sup>st</sup> March 2027, subject to six months' notice. The passing rent is **£10,500 per annum**. A rent deposit of £3,500 is held by the Landlord.

#### Suite 4, 2<sup>nd</sup> Floor

Let to **Ben Cluer Limited** on a full repairing and insuring lease from 21<sup>st</sup> August 2024, expiring on 20<sup>th</sup> August 2029. There is a tenant's break option on or after 21<sup>st</sup> August 2026, subject to six months' notice.

The passing rent is **£15,600 per annum**. There is an RPI-linked rent review on 1<sup>st</sup> September 2025 and annually thereafter. A rent deposit of £4,680 is held by the Landlord.

#### Suite 5, 2<sup>nd</sup> Floor

Let to **Nuworks Limited** on a full repairing and insuring lease from 2<sup>nd</sup> December 2023, expiring on 1<sup>st</sup> December 2025 at a passing rent of **£11,730 per annum** (inclusive of service charge). A rent deposit of £2,500 + VAT is held by the Landlord. A rent deposit of £3,000 is held by the Landlord.

## **Service Charge**

In accordance with their occupational lease the tenants are required to contribute to the service charge (with the exception of Unit C and Suite 5 which are inclusive of service charge). The service charge information is available to download.

## Covenants

British Heart Foundation has reported the following figures:

	<b>31st March 2024</b>	<b>31st March 2023</b>
Total Fundraising Income	£158,300,000	£151,900,000
Net Current Assets	£78,100,000	£123,900,000
Total Funds	£138,300,000	£125,600,000

British Heart Foundation is the biggest independent funder of heart and circulatory research in the UK, raising money to research cures and treatments. For further information visit [www.bhf.org.uk](http://www.bhf.org.uk).

Greggs PLC has reported the following figures:

	<b>30th December 2023</b>	<b>30th December 2022</b>
Revenue	£1,809,600,000	£1,512,800,000
Pre-Tax Profits	£188,000,000	£148,300,000
Net Assets	£529,400,000	£445,000,000

With 2,500 shops nationwide serving over six million customers a week and 32,000 employees, Greggs is the UK's leading bakery food-on-the-go retailer. Established in 1939, the company is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. For more information visit [www.greggs.co.uk](http://www.greggs.co.uk)

Psysoft is an occupational psychology consultancy providing services to clients throughout the UK to support their recruitment and people development projects. The company specialises in psychometric testing and assessments, emotional intelligence tools, and delivering psychometric training courses, equipping clients with the tools they need to improve performance and wellbeing in the workplace. For further information see [www.psysoft.com](http://www.psysoft.com).

Wavenet Limited has reported the following figures:

	<b>31st March 2024</b>	<b>31st March 2023</b>
Revenue	£171,137,000	£118,795,000
Pre-Tax Profits (Loss)	(£8,390,000)	£2,715,000
Net Assets	£263,608,000	£165,435,000

Established in 2000, the principal activities of the company is telecommunications, cybersecurity, IT & technology solutions. Customers range from large commercial organisations, financial institutions and retail to the NHS,



education and other public sector organisations and include Green King, Alliance Automotive, Natwest and NHS England. For further information see <https://www.wavenet.co.uk>.

Aderco Limited is a Certified B Corporation that was established over 40 years ago and is a pioneer in fuel treatment, with a commitment to 100% renewable and sustainable solutions. The company's innovative technology reduces emissions by improving fuel efficiency, benefiting both the environmental and operational performances. Over 80 countries are supplied by its products. For further information see [www.aderco.com](http://www.aderco.com). A rent deposit of £3,500 is held by the Landlord.

Ben Cluer Limited is a company of experienced Planning Engineering professionals. Established in 2000 the company has completed over a thousand projects with services including tender planning, construction planning and forensic claims planning. For further information see [www.bencluerltd.com](http://www.bencluerltd.com). A rent deposit of £4,680 is held by the Landlord.

Nuworks Limited (t/a BrokerCentral) provides an all-in-one CRM, broker management, and policy administration platform built specifically to streamline operations for insurance brokers. For further information see [www.brokercentral.co.uk](http://www.brokercentral.co.uk). A rent deposit of £3,000 is held by the Landlord.

## Asset Management

Based upon the asking yield of 8.0% in relation to the retail income of £66,750, this allocates a purchase price to the upper floor areas of the property at £540,000 which equates to only £121 per sq ft. In comparison, our research suggests that residential values in this location are in the region of £350-£400 per sq ft.

Subject to consents, it is suggested that the upper floors could potentially provide for residential accommodation with exit values significantly in excess of the apportioned purchase price for this element of the property.

## VAT

The property has been opted for tax and it is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).

## Proposal

We are instructed to seek a figure of **£1,330,000** (One Million, Three Hundred and Thirty Thousand Pounds), subject to contract, for the freehold interest.

Allocating an investment yield of **8.0%** to the retail accommodation equates to a value of £791,000.

This leaves a value of £540,000 in relation to the office accommodation which, based on the current income, equates to a yield of **13.1%** and a capital value of £121 per sq ft. Our research suggests that residential values in this location are in the order of £350 – £400 per sq ft.

Please note that a purchaser will be re-charged the cost of the searches (£1,092.74) and measured survey (£690 + VAT) which are provided in the data room.

Please note that a purchaser will be charged a Transaction Fee of £10,000 + VAT.

## Investment Considerations

1. An opportunity to acquire a South-East retail/office investment;
2. The property occupies a prime retailing pitch in the heart of the town centre;
3. Two retail units let to the highly secure national covenants of Greggs PLC and British Heart Foundation;
4. Self-contained multi-let office suites above, providing a spread of income;
5. Asset-management opportunities;
6. Future potential to convert the upper parts to residential use, subject to planning;
7. Freehold;
8. A purchase at the asking price reflects an attractive yield;
9. Attractive lot size for an investor.

## Contacts

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