2/4 market street guildford

attractive, freehold, retail investment
**investment summary**

- Guildford is one of the premier retailing locations within the UK
- Prominent position on Market Street, adjoining Musto and Toast, opposite River Island and close to Fat Face, Reiss, T Mobile and L’Occitane
- Well secured on leases to A. Jones & Sons Ltd (Jones Bootmaker) and Tamarind Natural Products Limited (t/a Neal’s Yard Remedies)
- Weighted unexpired lease term of circa 5.52 years.
- Freehold
- £1,780,000 (subject to contract & exclusive of VAT)
- Attractive 6.25% net initial yield.

**retailing in Guildford**

The town is one of the premier retailing locations, south-west of London. The prime retail offer is the pedestrianized High Street where there is a high concentration and representation of major UK multiples as well as high quality fashion retailers. The High Street is ably supported by North Street, the Friary Centre and White Lion Walk shopping centres, Market Street and Friary Street.

Market Street is a strong retailing destination and provides an important link between the High Street and North Street.

**location**

Guildford is one of the UK’s most affluent conurbations and is located approximately 33 miles south-west of London and 7 miles south of Woking.

The town benefits from excellent road communications being located next to the A3 which connects to the M25 some 8 miles to the north. There are frequent rail services to London Waterloo (average journey time of approximately 40 minutes) as well as Portsmouth, Reading and Gatwick. Gatwick and Heathrow International Airports are both within 25 minutes’ drive time.

**demographics & local economy**

Guildford is the administrative and commercial centre for Surrey and has a resident population of circa 66,000 people with a catchment of approximately 187,000 people living within 6 miles of the centre and 727,000 within 12 miles.

The town is particularly affluent and attracts some of the biggest consumer spending in the South East. Footfall along the High Street has increased year by year with the target customer profile being between the ages of 25-50 and predominantly A, B, C1 female.
2/4 Market Street comprises a two storey building although 2 Market Street has the additional benefit of basement storage.

The property has brick faced elevations under a pitched roof with single wooden glazed window units on the upper floors and large wooden framed double glazed shop fronts on ground. Servicing is to the rear via a service road accessed from Market Street.

**accommodation**

The property provides an approximate total net floor area of **140.43 m² (1,511.5 sqft)** sub-divided as follows:

<table>
<thead>
<tr>
<th>Tenant (t/a)</th>
<th>Floor</th>
<th>Use</th>
<th>Area (sq m)</th>
<th>Area (sq ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jones Bootmaker</td>
<td>Ground</td>
<td>Sales</td>
<td>48.54</td>
<td>522.5</td>
</tr>
<tr>
<td>4 Market Street</td>
<td>Ground</td>
<td>ITZA</td>
<td>48.54</td>
<td>522.5</td>
</tr>
<tr>
<td></td>
<td>First</td>
<td>Ancillary (A/20)</td>
<td>37.16</td>
<td>400.0</td>
</tr>
<tr>
<td></td>
<td>First</td>
<td>Ancillary (Shelf)</td>
<td>3.16</td>
<td>34.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>88.86</strong></td>
<td><strong>956.5</strong></td>
</tr>
<tr>
<td>Neal’s Yard Remedies</td>
<td>Ground</td>
<td>Sales</td>
<td>19.51</td>
<td>210</td>
</tr>
<tr>
<td>2 Market Street</td>
<td>Ground</td>
<td>ITZA</td>
<td>21.00</td>
<td>226 (inc 1st retail)</td>
</tr>
<tr>
<td></td>
<td>First</td>
<td>Retail (A/12)</td>
<td>17.84</td>
<td>192</td>
</tr>
<tr>
<td></td>
<td>Basement</td>
<td>Ancillary</td>
<td>10.78</td>
<td>116</td>
</tr>
<tr>
<td></td>
<td>First</td>
<td>Ancillary</td>
<td>3.44</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>51.57</strong></td>
<td><strong>555</strong></td>
</tr>
</tbody>
</table>

**tenancies**

**4 Market Street**

**A. Jones & Sons Ltd (t/a Jones Bootmaker)**

25 years FR&I from 25th March 1992 expiring on 24th March 2017 at a current passing rental of **£80,950 pax** and an upward only rent review on 16th March 2012 (circa 5.44 years unexpired).

**2 Market Street**

**Tamarind Natural Products Ltd (t/a Neal’s Yard Remedies)**

15 years FR&I from 24th June 2002 expiring on 23rd June 2017 at a current passing rental of **£36,800 pax** and an upward only rent review on 23rd June 2012 (circa 5.69 years unexpired).

**tenant covenants**

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Date of Accounts</th>
<th>Turnover</th>
<th>Pre-Tax Profit/Loss</th>
<th>Net Worth</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Jones &amp; Sons Ltd</td>
<td>29/01/2011</td>
<td>£74,314,000</td>
<td>£1,403,000</td>
<td>£12,209,000</td>
</tr>
<tr>
<td>Tamarind Natural Products Ltd</td>
<td>31/12/2010</td>
<td>N/A</td>
<td>N/A</td>
<td>(£8,877)</td>
</tr>
</tbody>
</table>

**current income pax**

**£117,750 per annum exclusive**

**ERV**

Prime rental levels in Guildford have recently improved reaching circa £330 per sqft ZA with the open market letting in October 2011 to Liz Earle of 72-74 High Street. This marginally exceeds the rental achieved on the open market letting to Calvin Klein of 94 High Street in July 2011 at circa £322.50 psf ZA. Market Street provides a healthy discount to the High Street with the subject units reflecting between £162.50- £165 psf ZA. This is in line with the rental tone in Market Street and provides a strong platform for future rental growth at review in 2012.
VAT
The property has been elected for VAT and thus VAT will be payable on the purchase price.

PROPOSAL
£1,780,000 (Subject to Contract and exclusive of VAT) reflecting an attractive net initial yield of 6.25%, allowing for purchaser’s costs of 5.8%.

Further details

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