

— 40^{CE} & 42/44 —
CLARENCE STREET
KINGSTON UPON THAMES



PRIME FREEHOLD REVERSIONARY RETAIL INVESTMENT FOR
SALE IN AN AFFLUENT GREATER LONDON COMMUTER TOWN

JACKSON
CRISS

INVESTMENT SUMMARY

- The Royal Borough of Kingston upon Thames, is a dominant retail and affluent commuter town located 12 miles south west of central London.
- 38% of the catchment population are represented in the highest AB social group, compared to a 22% UK average.
- Kingston is a thriving area and is undergoing significant regeneration.
- Resilient residential property market with capital values at c.£900 psf for some new build apartments.
- Located in a prime trading location on the pedestrianised Clarence Street.
- Freehold.
- 10,101 sq ft of accommodation arranged over ground, basement and two upper floors.
- Let to the undoubted covenant of Superdrug Stores PLC who have been in occupation for over 20 years.
- Total current passing rent of £335,000 per annum.
- Estimated rental value of £350,000 per annum based on £165 ZA.
- Potential residential development opportunity on the upper floors and airspace above, subject to planning and vacant possession.



Our clients are requesting offers in excess of **£4,650,000** (Four Million Six hundred and Fifty Thousand Pounds) subject to contract and exclusive of VAT, which reflects a net initial yield of 6.75% and a reversionary yield of 7.06% adopting our opinion of estimated rental value, after allowing for the deduction of standard purchaser's costs. The price reflects a capital value of £460 psf.




Unilever
UK&I
Headquarters

Royal
Exchange

Eden Walk
Shopping Centre

Market Place

Church Street

M&S

Eden Street

PRIMARK

Subject Property

Clarence Street

The Bentall
Shopping Centre

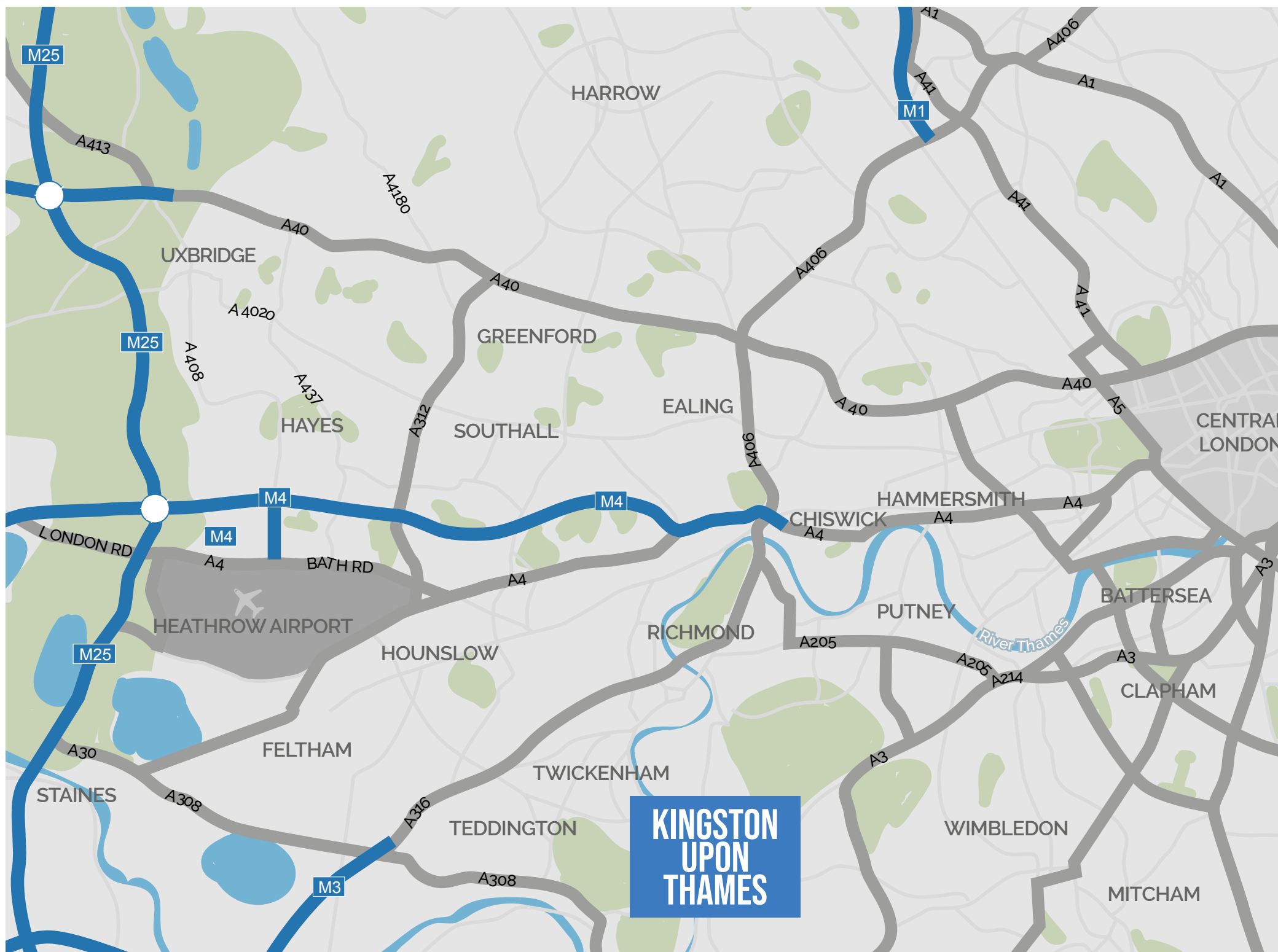
John Lewis
Waitrose

River Thames

LOCATION

Kingston is one of the UK's leading commercial and retailing centres and is one of only 6 Royal Boroughs in England and Wales. The town is located in the affluent south west of Greater London, approximately 5 miles south of Richmond, 11 miles west of Croydon and 12 miles of central London.

Unilever now occupy their new UK & Ireland Headquarters, Eden Campus on Eden Street. The development comprises 2 interlinked office buildings, 115 homes and a 360 space car park, with approximately 2,000 people being based at the campus.



The town benefits from excellent communications, being in close proximity to the M25, M3 and A3.



There is also a regular commuter rail service to London Waterloo, with 6 trains an hour and a fastest journey time of approximately 30 minutes. Kingston will also benefit from the proposed Cross Rail 2 development, which will provide approximately double the amount of services to central London and a direct connection to destinations including London Victoria, London Euston and Tottenham Court Road.



London Heathrow airport is located approximately 40 miles west of the town and London Gatwick Airport is located 17 miles to the south east, enabling easy access to a diverse range of domestic and international flights.

DEMOGRAPHIC PROFILE

Kingston has an estimated primary catchment population of 362,000, significantly above the regional centre average, ranking the town 32nd out of the PROMIS centres on this measure. The estimated shopping population of Kingston is 618,000, ranking the town 26th out of the PROMIS centres, reflecting the dominance of Kingston across its densely populated catchment area.

The town also ranks 59th in terms of the volume of comparison retail spend available in the catchment area and is forecast to see significantly above average growth in that spending over the next few years (Promis).

The demographic is young and affluent with most of the population falling into the 'Domestic Success' and 'City prosperity' categories.

Kingston has an affluent catchment population with



38% representation of AB demographics

Kingston College and University have over



35,000 students between them



RETAILING IN KINGSTON

The town centre retail space in Kingston is estimated at 1.4m sq ft, ranking Kingston 17th on the basis of its PMA retail score and 17th on the PMA fashion score. The town's high ranking on the PMA retail and fashion scores reflects an extensive range of fashion and non-fashion retailers in the town. Key fashion retailers include H&M, Zara, Primark, TK Maxx, Uniqlo, Next as well as upper middle quality operators such as Anthropologie, Flannels, Reiss and Massimo Dutti.

Kingston offers two quality department stores, John Lewis and Fenwicks with variety store operators including Marks & Spencer and Primark. The town has two managed shopping centres, the Bentall Shopping Centre, which comprises approximately 600,000 sq ft of retail floor space over 4 trading floors and the Eden Walk Shopping Centre, which comprises approximately 290,000 sq ft of retail floor space and is anchored by Boots, Marks and Spencer and Heal's.




The Bentall Centre boasts over 80 shops on four levels and is anchored by Fenwicks department store. Other retailers include Apple, Superdry, Tommy Hilfiger, LK Bennett, Other Stories and Cos.





SITUATION

The subject property occupies a prime trading location on the pedestrianised Clarence Street. Nearby retailers include Marks & Spencer's, Primark and Boots. The former M&S furniture store opposite at 69-73 Clarence Street is under offer to Dunelm who will trade over 2 levels. The adjacent block at 40/40B Clarence Street is subject to a proposed residential development on the upper floors.



DESCRIPTION

The property comprises an attractive mid terraced property of two separate retail buildings, which have been amalgamated to form one larger unit, currently arranged over basement, ground and two upper floors. The property benefits from rear servicing.

TENANCY

The property is let to Superdrug Stores PLC on a 5 year Full Repairing and Insuring lease from 25th December 2022 at a current passing rent of £335,000 per annum exclusive.

The rent passing prior to the lease renewal was £623,850 pa.

There is a right of way over the service yard at the rear and a right to use for loading and unloading with Kingston Borough Council. The current charge for the period 1st June 2024 to 31st May 2025 is £1,132.46 pa which is recharged to Superdrug.



ACCOMMODATION

Areas as a whole 40C-E & 42/44 Clarence Street is currently laid out as follows:

The property was originally let as two separate units and we have set out the individual unit measurements below for reference:

40C-E & 42/44 CLARENCE STREET	AREA (Sq Ft)	AREA (Sq M)
Ground Floor Sales	4,764	442.57
Ground Floor ITZA	2,057	191.09
Ground Floor External Storage	262	24.34
First Floor Storage	2,707	251.48
Second Floor Storage	1,593	147.99
Basement*	775	72.00
TOTAL	10,101	938.38

40C-E CLARENCE STREET	AREA (Sq Ft)	AREA (Sq M)
Ground Floor Sales	1,750	162.57
Ground Floor ITZA	727	67.54
First Floor Sales	1,148	106.65
Second Floor Storage	715	66.43
TOTAL	3,613	335.65

42/44 CLARENCE STREET	AREA (Sq Ft)	AREA (Sq M)
Ground Floor Sales	2,913	270.61
Ground Floor ITZA	1,211	112.50
Ground Floor External Storage	262	24.34
First Floor Sales	1,640	152.35
Second Floor Storage	862	80.08
Basement*	775	72.00
TOTAL	6,452	599.38

*Denotes accessed via a trapdoor

RENTAL VALUE

The current rent passing devalues to a Zone A rent of approximately £157 psf making a negative 5% allowance for frontage to depth/ dividing walls/ change of level in the ground floor. A rate of £5 psf has been applied to the ground floor storage, with £7.50 psf to the first and £3.75 psf to the second. No value has been applied to the basement given it is accessed via a trapdoor.

It is our opinion that the estimated headline rental value as of today's date would lie in the region of £350,000 pa, which reflects a Zone A rent of £165 psf.

This is based upon the comparable evidence set out below:

20 CLARENCE STREET, KINGSTON (MINISO)

Open market letting in January 2025 to Miniso for a 10 year term at an average rent of £202,500 pa, with a tenant break option on the 6th anniversary of the term. The rent devalues to a HL ZA of c.£193 per sq ft and a net ZA of £185 per sq ft.

65/67 CLARENCE STREET, KINGSTON (TUI TRAVEL PLC)

Open market letting in March 2024 to Tui for a 5 year term at a rent of £115,000 pa, with a tenant break option on the 3rd anniversary of the term. The rent devalues to a HL ZA of £189 per sq ft and a net ZA of c.£175 per sq ft.

COVENANT



Superdrug Stores PLC (00807043) are a health and beauty retailer and is part of AS Watson Group operating from over 16,500 stores under 12 retail brands in 28 markets. Their summary accounting information can be set out as follows:

	30/12/2023	31/12/2022	01/01/2022
Sales Turnover (£)	1,527,989,000	1,366,924,000	1,167,828,000
Pre Tax profit (£)	111,638,000	77,763,000	45,282,000
Total Net Worth (£)	238,861,000	210,245,000	203,997,000

Superdrug Stores PLC have an Experian rating of 100/100 reflecting a very low risk.



TENURE

Freehold

The property is held in two separate freehold titles and further information is available on request.

EPC

D (92)

Further information can be provided upon request.

VAT

The property is elected for VAT purposes and is anticipated the transaction will be treated as a TOGC (Transfer of a Going Concern).



PROPOSAL

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CONTACT

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ANTI-MONEY LAUNDERING. In order to comply with anti-money laundering legislation, the preferred purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

MESSRS. Jackson Criss for themselves and for the vendors or lessors of this property whose agents they are to give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct but any intending purchasers or tenants should not rely on them as statements of representations of fact but satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of Messrs. Jackson Criss has any authority to make or give any representation or warranty whatever in relation to this property. **105183. April 2025. Designed by WeAreTCC.co.uk**

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