

34 CLARENCE
STREET
KINGSTON UPON THAMES



PRIME FREEHOLD SUBSTANTIALLY 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 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.
- Located in a 100% prime trading location on the pedestrianised Clarence Street adjacent to M&S.
- Freehold.
- Well configured retail store providing 6,908 sq ft, arranged over ground and first floors.
- Let to the undoubted covenants of Skechers USA Ltd and Marks and Spencer 2005 (Kingston-on-Thames Store) Limited.
- WAULT of 6.8 years to expiry on the Skechers lease.
- Total current passing rent of £150,080 per annum.
- Estimated rental value of c.£250,000 pa, based on a provable net Zone A tone of £185 per sq ft.



Our clients are requesting offers in excess of **£2,200,000** (Two Million Two hundred Thousand Pounds) subject to contract and exclusive of VAT, which reflects a net initial yield of 6.4%, reversionary yield of 10.68% and an equivalent yield of 8.76%, after allowing for the deduction of standard purchasers' costs. The price reflects a capital value of £318 psf.



John Lewis Waitrose

The Bentall Shopping Centre

Church Street

M&S

Subject Property

To Be Dunelm

Eden Walk

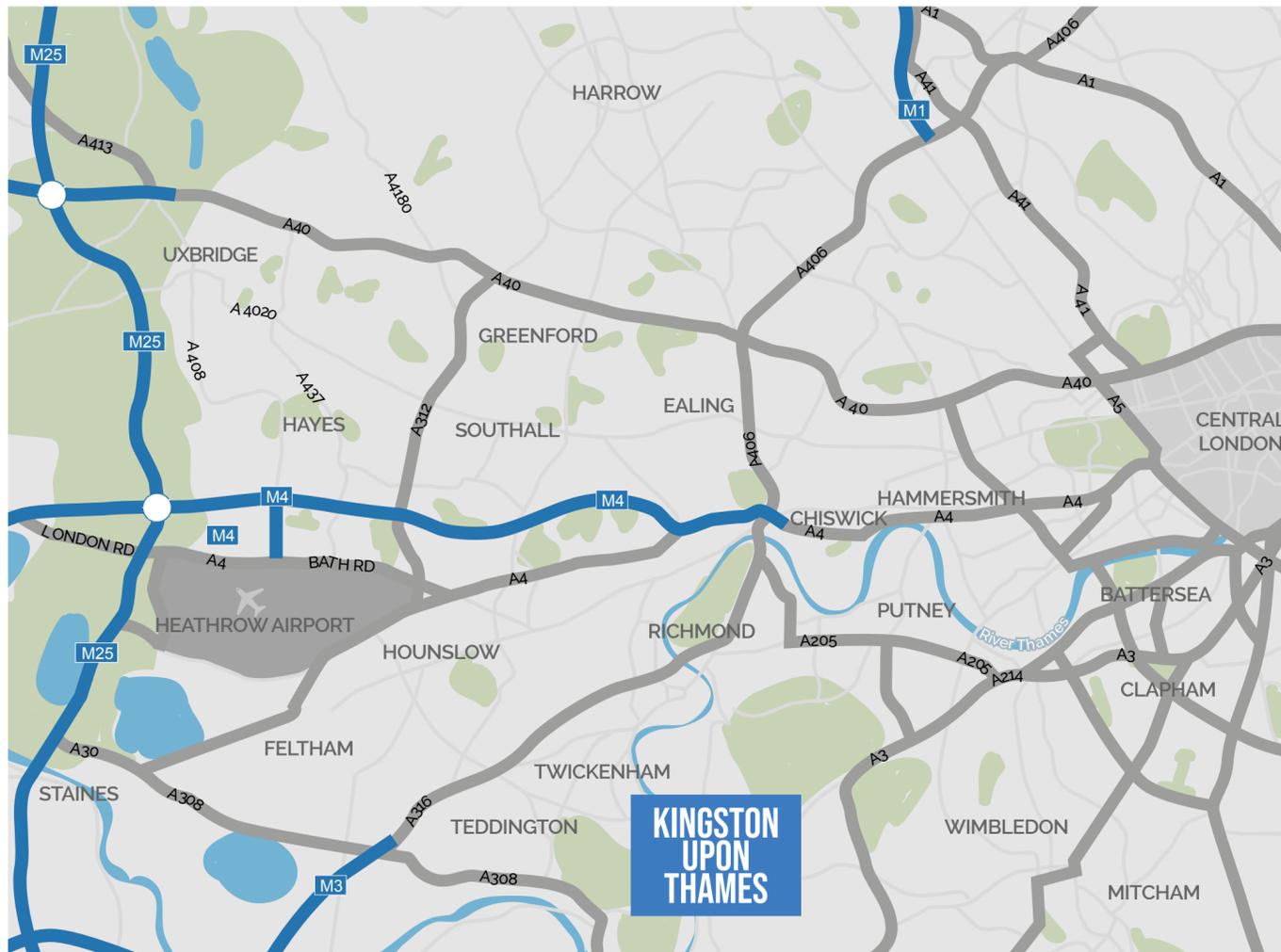
Clarence Street

For indicative purposes only

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 south west 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).

Kingston has an affluent catchment population with



38% representation of AB demographics

Kingston University and College have over



35,000 students between them

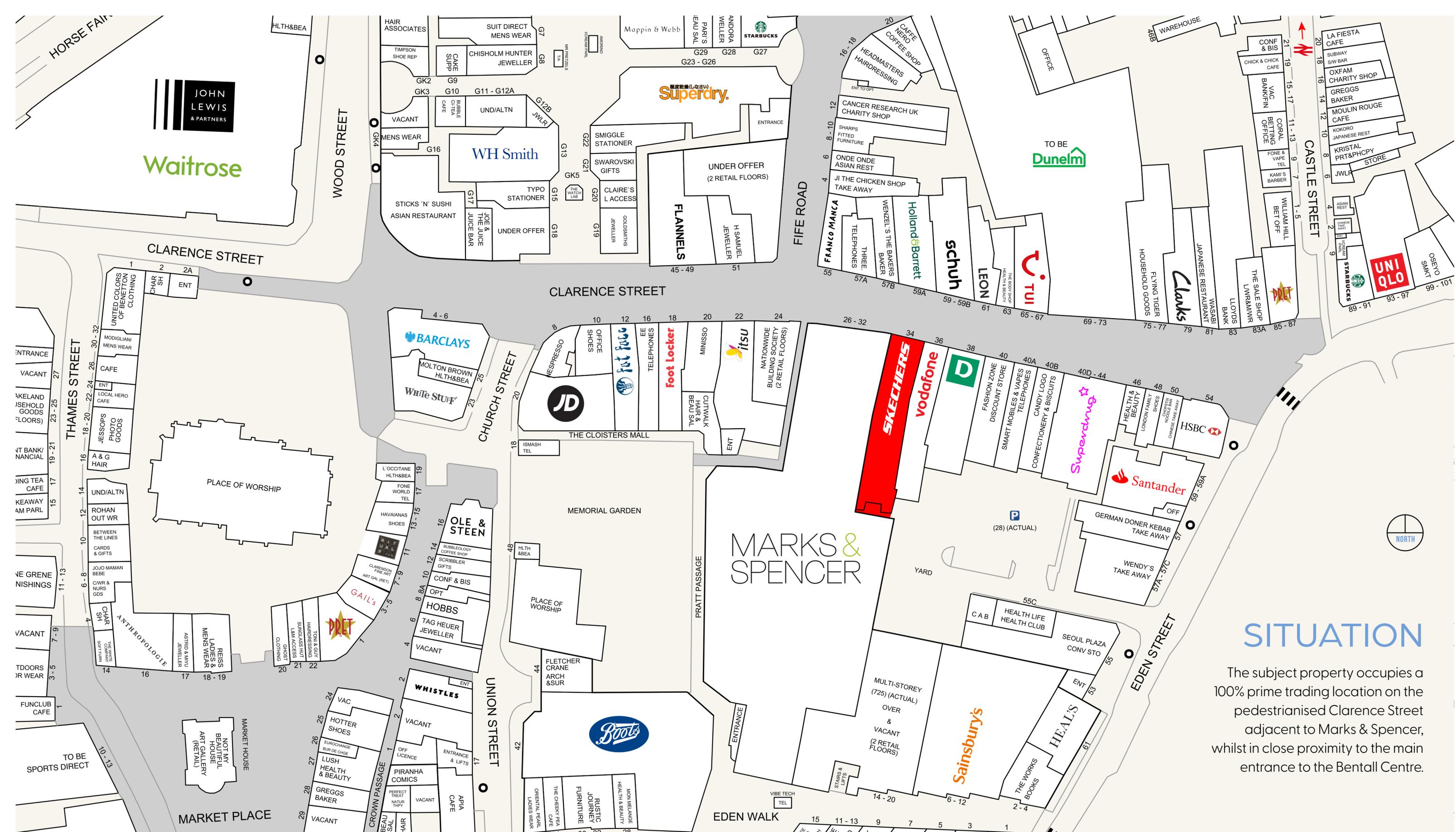


RETAILING IN KINGSTON

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, 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 Fenwick 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.



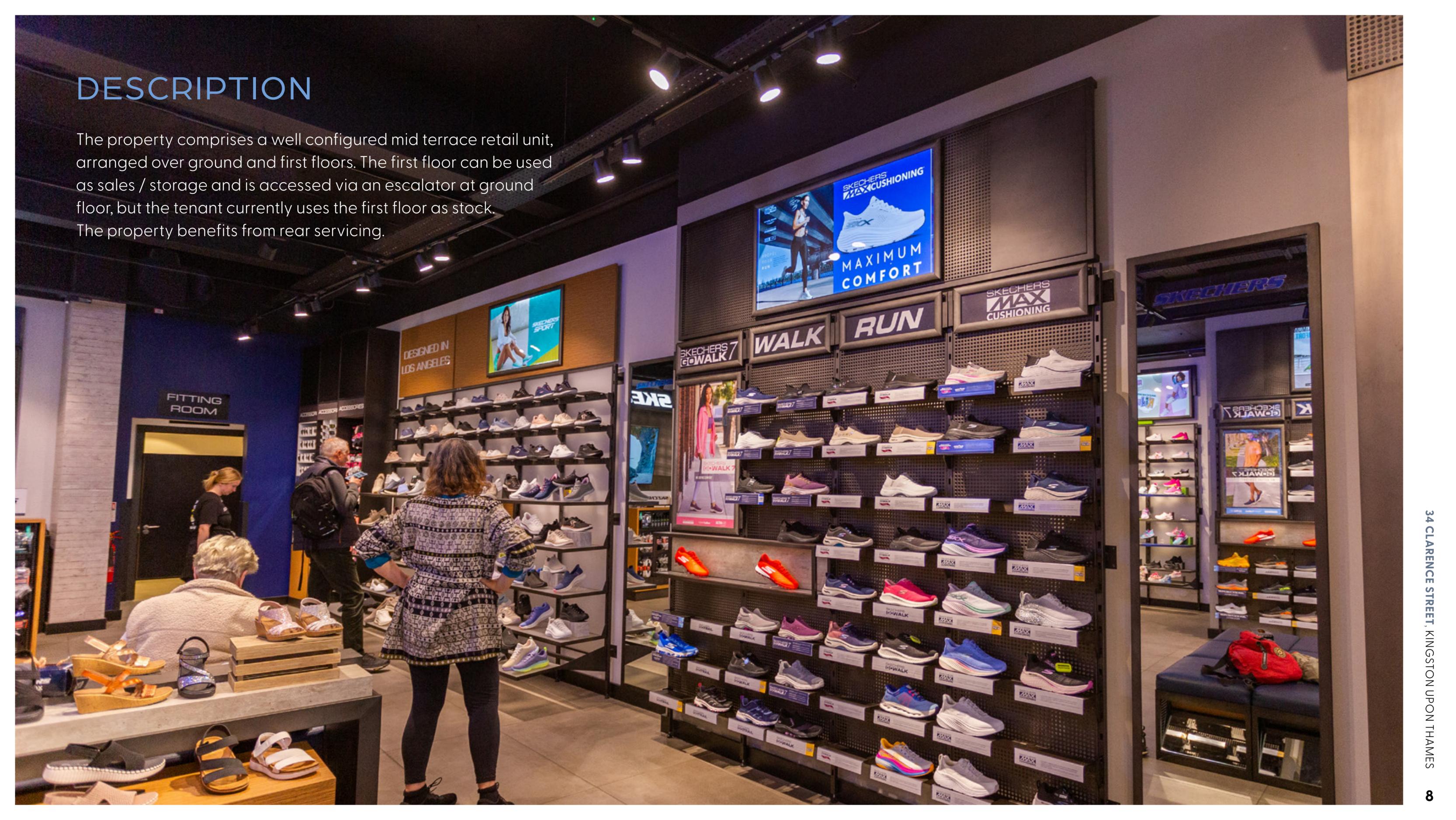


SITUATION

The subject property occupies a 100% prime trading location on the pedestrianised Clarence Street adjacent to Marks & Spencer, whilst in close proximity to the main entrance to the Bentall Centre.

DESCRIPTION

The property comprises a well configured mid terrace retail unit, arranged over ground and first floors. The first floor can be used as sales / storage and is accessed via an escalator at ground floor, but the tenant currently uses the first floor as stock. The property benefits from rear servicing.



TENANCIES

The property is let to Skechers USA Ltd on a 10 year Full Repairing and Insuring lease from 14th February 2022 at a rent of £275,000 pa, with a tenant only break clause at the expiry of the 5th year, subject to a £100,000 break penalty.

A supplemental deed introduced a turnover arrangement that is personal to the tenant. As such the tenant pays a base rent of £150,000 pa or 8% of the turnover if higher.

The rent is personal to the tenant and will revert to £275,000 pa on assignment or underletting outside the group.

Marks and Spencer 2005 (Kingston-on-Thames Store) Limited have an under lease on a portion of land at the rear of the ownership, for a term of 980 years from 24th June 1954, to expire 23rd June 2934, at a fixed rent of £80 pa.

The total rent passing is therefore £150,080 pa.



ACCOMMODATION

The property comprises of the following approximate areas:-

434 CLARENCE STREET	AREA (Sq Ft)	AREA (Sq M)
Ground Floor	3,547	329.5
Ground Floor ITZA	1,106	
Ground Floor Ancillary	465	43.2
First Floor Sales	2,313	214.9
First Floor Ancillary	583	54.2
TOTAL FLOOR AREA	6,908	641.8

The Marks and Spencers underlease is on a parcel of land at the rear stated as being a width of c.35 feet and a depth of c.23 feet. The vendor has no paper title to this area and will transfer whatever interest it has.

RENTAL VALUE

The current rent passing devalues to a Zone A rent of approximately £111 psf, applying A/12 to first floor sales and A/20 to ground and first floor storage.

It is our opinion that the estimated rental value of the retail unit as of todays date would lie in the region of £250,000 pa, which reflects a Zone A rent of £185 psf on the same devaluation.

The most salient comparable evidence can be set out below:-

20 CLARENCE STREET, KINGSTON (MINISO – OML, JAN 2025)

Open market letting 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 – OML, MAR 2024)

Open market letting 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 agreed devalues to a HL ZA of £189 per sq ft and a net ZA of £175 per sq ft.

COVENANT



Skechers USA Limited (04056244) is a global leader in the footwear and lifestyle industry with over 5,000 stores worldwide.

Their summary accounting information can be set out as follow: -

	31/12/2023	31/12/2022	01/01/2021
Sales Turnover (£)	324,381,000	312,846,000	237,369,000
Pre Tax profit (£)	5,596,000	7,384,000	4,373,000
Total Net Worth (£)	29,503,000	25,414,000	19,383,000

Skechers USA Limited has an Experian rating of 100/100 reflecting a very low risk.



TENURE

The property is held freehold under title number SGL394517 plus whatever unregistered interest it has in the land to the rear.

EPC

We understand the EPC rating is B35. Further information can be provided upon request.

VAT

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





PROPOSAL

The vendors are requesting offers in excess of £2,200,000 (Two Million Two Hundred Thousand Pounds) subject to contract and exclusive of VAT, which reflects the following yield profile net of standard purchasers' costs:-

NET INITIAL YIELD	6.4%
REVERSIONARY YIELD	10.68%
EQUIVALENT YIELD	8.76%

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. **105308. April 2025. Designed by WeAreTCC.co.uk**

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