

102-120 HIGH STREET | EPSOM

JACKSON
CRISS



WELL SECURED MIXED USE INVESTMENT IN AFFLUENT SURREY TOWN
WITH FUTURE DEVELOPMENT POTENTIAL

INVESTMENT SUMMARY

- Affluent Greater London commuter town of Epsom
- Located on the prime High Street thoroughfare opposite The Ashley Shopping Centre which is undergoing an internal refurbishment
- Significant site of over 1.03 Acres which includes one of the towns dominant car parks
- Well secured reversionary mixed use virtual freehold investment anchored by TK Maxx, Tapi, NCP and Pure Gym
- Nearby retailers include Marks & Spencer, Waitrose, Boots and Next. Primark have exchanged contracts to take the former 44,000 sq ft House of Fraser Store in the Ashley Centre
- Pure Gym fixed uplift in November 2024
- WAULT of c.4.53 years to expiry
- TK Maxx/Pure Gym have removed break clauses and Tapi have recently made an application to take an assignment of the Carpetright lease
- Excellent potential future redevelopment prospects with the site targeted as a future development site in Epsom & Ewell Local Plan
- Our clients are seeking offers in excess of **£7,500,000 (Seven Million Five Hundred Thousand Pounds)** subject to contract and exclusive of VAT for the virtual freehold interest, which reflects a net initial yield of 7.46% increasing to 7.80% in November 2024 and an equivalent yield of 8.1%, net of standard purchasers costs





LOCATION

Epsom is an affluent Surrey Town located 16 miles south west of Central London and 7 miles south of Kingston. The town has proximity to other key south west M25 office centres including Reigate and Redhill 10 miles to the south east and Leatherhead 4 miles to the south. Epsom is located 4 miles from Junction 9 of the M25 accessed via the A24.

The town benefits from excellent public transport and road communications making it popular with commuters.

Epsom Station provides regular and direct services to London Waterloo and Clapham Junction with journey times of approximately 36 minutes and 24 minutes respectively.

The nearest airport to Epsom is London Gatwick, located approximately 18 miles south east of the town centre. Heathrow Airport is also located approximately 22 miles north west of the town.

The town is renowned for the popular Epsom Downs Racecourse, home to The Derby and Oaks, two of the famous classic British horse races.

Epsom has been voted in the top 10 most happiest places to live in the UK, according to studies by the Royal Mail and Rightmove.

The town has an overall average house price of £605,221, which is a 9% increase from 2021 (Rightmove, 2023).



DEMOGRAPHICS

Epsom has a total population within the primary retail market area of 120,000, significantly above the small town average.

Epsom boasts an impressive socioeconomic demographic profile with an above average proportion of adults of working ages categorised within the most affluent AB Social Group (which includes those in managerial and professional occupations) and Social Group C1 (which includes junior non manual employees).

The total retail spend is forecast to grow by 1.9% over the period 2020-2025 against the national PROMIS average of 1.3%.

Major employers in the town include Atkins, Willis Towers Watson, Aon and Deloitte.


 The logo for TK Maxx, featuring the letters 'TK' in a stylized font followed by 'maxx' in a lowercase, bold, sans-serif font, all in white against a red background.


 The logo for Marks & Spencer (M&S), featuring the letters 'M&S' in a large, black, serif font, with 'EST. 1884' in a smaller, black, sans-serif font below it, on a white background.

RETAILING IN EPSOM

The town has approximately 560,000 sq ft of retail floor space with the prime retail centred around the High Street and the covered Ashley Shopping Centre. The Ashley Shopping Centre comprises 290,000 sq ft and is anchored by Waitrose and Marks & Spencer. Primark has taken the former 44,000 sq ft House of Fraser and are due to take possession later this year. The landlords have also completed a £7m refurbishment of the scheme. The centre is complemented by the prime shopping destination of the High Street where national multiple retailers include TK Maxx, B&M, Boots, Pret a Manger and JD Sports.

In addition to national retailers, the town centre also boasts an impressive range of independent shops, restaurants, cafes and bars, whilst regular markets also add to the vibrancy of the town.


 The logo for Primark, featuring the word 'PRIMARK' in large, blue, sans-serif capital letters mounted on a white wall.


 A white sign with the text 'The Ashley Centre' in black, sans-serif capital letters, mounted on a building facade.


 The logo for Waitrose, featuring the word 'Waitrose' in white, sans-serif capital letters above the word 'EPSOM' in white, sans-serif capital letters, on a green background.


SITUATION

The subject property occupies a significant site fronting the High Street to the south and Station Approach to the north. The property is immediately opposite one of the entrances to The Ashley Centre and the towns Market Place.

Epsom Train Station is only 150 m from the property and the entrance to the NCP is visible from the station exit. Nearby retailers to the subject property include Marks & Spencers, Boots and B&M.

DESCRIPTION

The property provides a mixed use scheme, comprising of retail accommodation on the ground floor (fronting the High Street), leisure / gym use on the first floor, and an NCP car park to the rear.

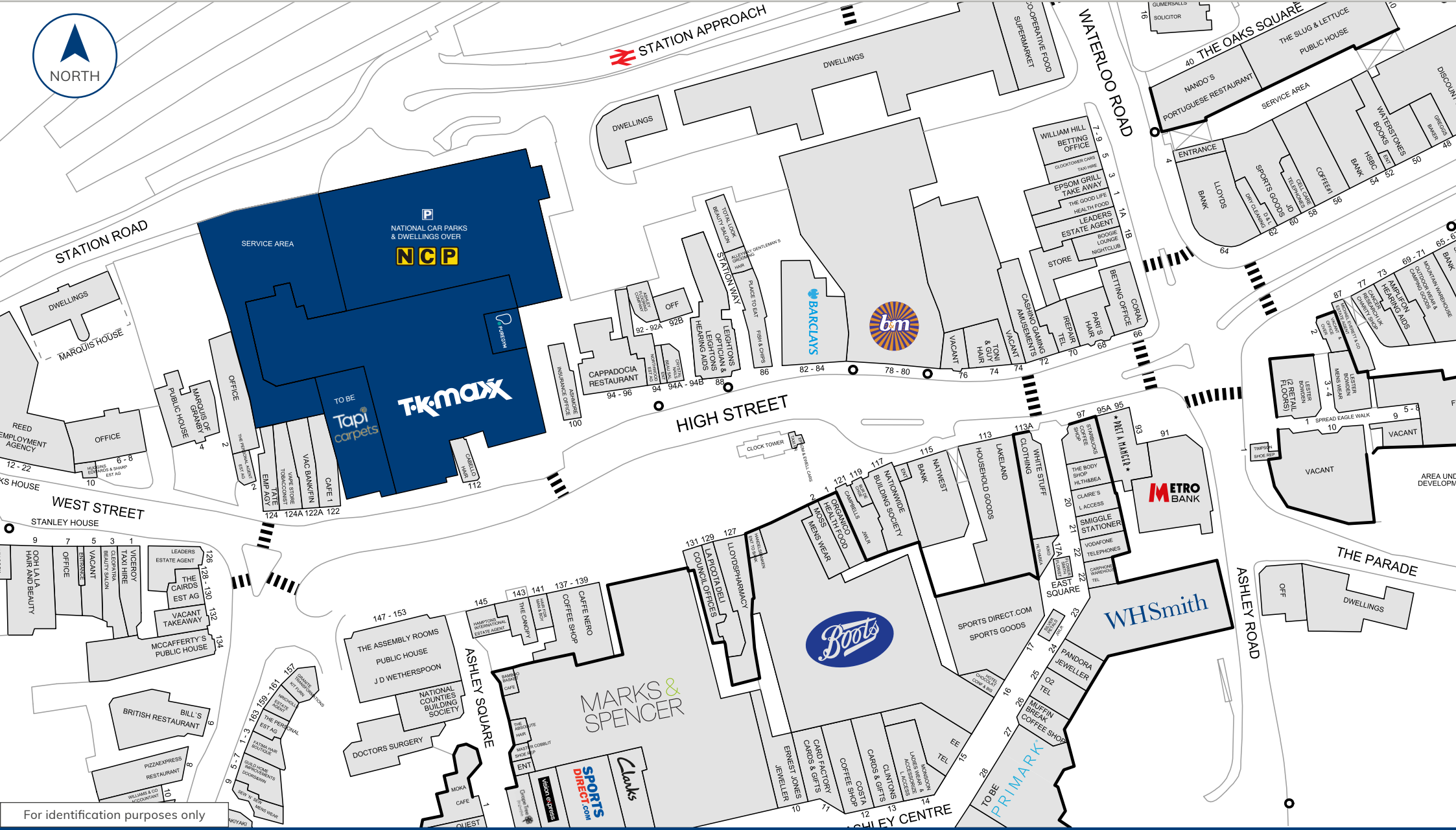
The 64 residential units above the car park have been sold off on long leases and are retained under the freehold title.

The car park is situated at the rear of the property and is accessed off Station Approach Road. There are 85 car parking spaces and the NCP car park is open 24 hours, 7 days a week. Details of the car parking charges are available from this office.

DEVELOPMENT

The property is referred to in the Epsom & Ewell Local Plan, commenting that it is a "Development Site" that could accommodate up to 65 residential units. Further information is available on request.





For identification purposes only



TENANCIES

The property is let to 4 tenants as detailed in the tenancy schedule, producing a current rental income of £597,432 pa. The WAULT to expiry is 4.53 years.

TENURE

The property is held on a 999 year lease (effectively a full repairing and insuring lease) from 24th June 2002 at a peppercorn rent.

	Demise	Tenant Name	Unit / Floor	Areas		Lease Details				Income			Comments
				sq ft	sq m	Lease Start	Expiry Date	Next Review	Breaks	Current Rent £ pa	Rental Value £ pa	Rental Value (£ ZA/ sq ft)	
	106/110 High Street	TJX UK (t/a TK Maxx)	Ground (Sales) GIA	19,765		02/04/2002	23/06/2029			£285,000	£285,000	£12.17 psf	<ul style="list-style-type: none"> • Surety: TJX Europe Limited • Tenant removed break clause effective 24/06/2024 in return for a 12 month rent free period, taken by way of 24 months at half rent ending on 25/03/2025. The vendor will top up the rent at completion
			First (Ancillary) GIA	3,647									
			Total	23,412	2,175								
	120 High Street	CPR Realisations Limited	Ground (NIA)	3,412	317	02/04/2002	23/06/2029			£69,000	£69,000	£54 ZA	<ul style="list-style-type: none"> • Tapi have made an application to take an assignment of the Carpetright lease and once completed will invest in the store, including the signage
			Ground (ITZA)	1,274									
	104 High Street	Pure Gym Limited	Ground Floor Entrance (GIA)	473		05/11/2014	04/11/2029	04/11/2024		£145,000	£214,000	£15 psf	<ul style="list-style-type: none"> • Removed break option effective 04/11/2024 by deed of variation • Five yearly rent review provision with annual uplifts in line with RPI, with collar and cap of 1% and 4%. • Indexed rent would increase to c.£171,330 in November 2024 in line with our views of indexation
			Ground Floor Fire Escape (GIA) First (GIA)	248 13,556									
			Total	14,277	1,326								
	102 High Street Car Park	National Car Parks Limited	Multi-storey car park			26/07/2002	23/06/2027	24/06/2022		£98,432	£125,000		<ul style="list-style-type: none"> • NCP categorised the car park in their 'A' list • Rent review mechanism is upwards only to OMV • Car parking to gym operator between 6pm to 9am • 85 car spaces
			Total	41,101	3,818					£597,432	£693,000		

WAULT to Expiry

4.53

COVENANT STATUS

TJX UK

TJX is a global retailer who introduced TK Maxx in the US in 1976. The company is a worldwide leading retailer of apparel and home fashion with over 3,000 stores worldwide. TK Maxx currently has over 500 stores across the UK and Europe. The summary accounting information is set out below.

TJX UK	28/01/2023	29/01/2022	30/01/2021
Sales Turnover	£3,887,200,000	£3,309,100,000	£2,278,400,000
Profit before Tax	£172,400,000	£14,400,000	-£254,000,000
Net Worth	£679,000,000	£554,500,000	£550,100,000

TJX UK has an Experian rating of 100/100 reflecting very low risk.

Tapi

Tapi is a leading carpet and flooring company. The company operates across 170 stores nationwide and is in the process of acquiring a number of former Carpetright stores in key locations.

Tapi	31/12/2022	25/12/2021	26/12/2020
Sales Turnover	£158,330,451	£137,435,637	£99,808,694
Profit before Tax	-£1,522,231	£5,433,341	-£5,261,582
Net Worth	£3,334,850	£5,608,948	£150,347

Tapi Carpets and Floors Limited has an Experian Rating of 82/100 reflecting low risk.

Pure Gym

Pure Gym which was founded in 2009 offers a chain of 24 hour gyms across the UK, currently operating from 300 gyms. The summary accounting information is set out below.

Pure Gym	31/12/2022	31/12/2021	31/12/2020
Sales Turnover	£308,100,000	£193,945,000	£142,405,000
Profit before Tax	£31,700,000	-£28,464,000	-£60,101,000
Net Worth	£265,000,000	-£33,608,000	-£13,188,000

Pure Gym has an Experian rating of 100/100 reflecting very low risk.





EPC

The energy performance certificates rating for the units are as follows: -

TK Maxx – D92

Tapi – D92

Pure Gym – C64



VAT

The property is elected for VAT and therefore it is expected that the investment will be treated as a Transfer Of A Going Concern (TOGC).

SERVICE CHARGE

The total service charge budget for the period 25/03/2024 to 24/03/2025 is £24,300.

The service charge is fully recoverable and more detailed information is available on request.

PROPOSAL

We are instructed to seek offers in excess of **£7,500,000 (Seven Million, Five Hundred Thousand Pounds)**, subject to contract and exclusive of VAT, for the benefit of the long leasehold interest in the subject property. A purchase at this level would reflect the following yield profile, net of normal purchaser's costs: -

Net Initial Yield	7.46% increasing to c.7.80% (Nov 2024)
Reversionary Yield	8.66%
Equivalent Yield	8.1%

The sale price reflects a low capital value of £182 per sq ft ignoring the car park.



NOTE: Images showing Tapi Carpets are for illustrative purposes only.



For further information or to arrange an inspection of the property, please contact:

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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. 104908. Designed by TCC 09/24.