



allsop

ABBHEY HOUSE

25 CLARENDON ROAD,
REDHILL, RH1 1QZ

A WELL LET OFFICE INVESTMENT FOR AN UNBROKEN TERM OF 11 YEARS
WITH UNDERLYING RESIDENTIAL DEVELOPMENT POTENTIAL

INVESTMENT SUMMARY

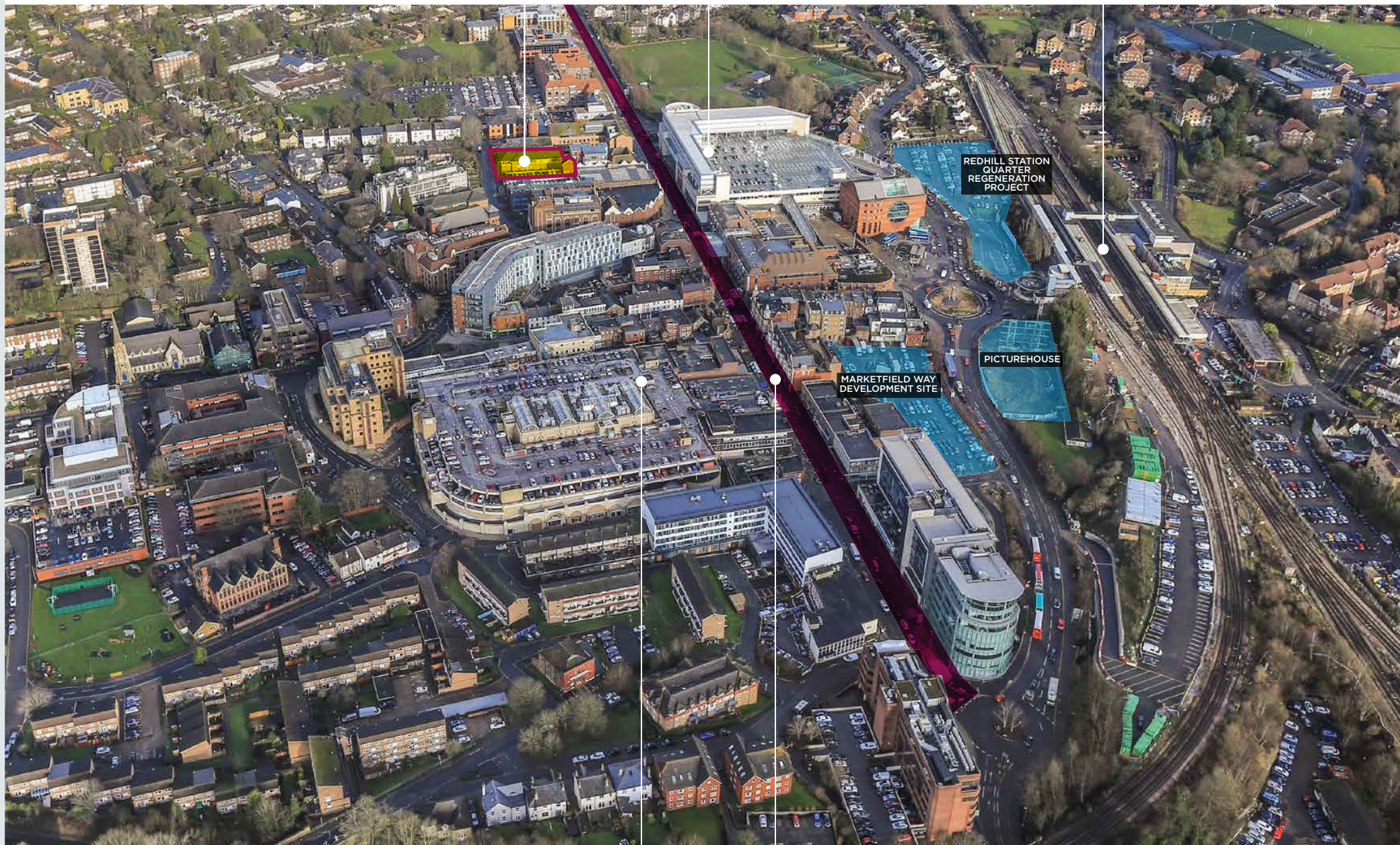


- Redhill is an affluent Surrey town and situated approximately 20 miles to the south of Central London
- Abbey House is **located in the heart of Redhill town centre**
- **Freehold**
- The property comprises an office building constructed in 1999
- Arranged over basement (lift & riser), ground, first and second floors
- Total floor area of **14,848 sq ft NIA**
- 32 parking spaces provided in a secure undercroft car park, reflecting an excellent town centre ratio of 1:464 sq ft
- Let in its entirety to Redhill Town Centre Ltd, trading as Regus, with Regus Holdings Plc as guarantor
- **A new 11 year FR&I lease** from June 2021 with an upward only rent review in June 2027
- The lease is **guaranteed by Regus Holdings Plc for the entire duration of the term**
- Passing rent of **£310,000 p.a (£21 psf overall)**
- An average of 76% occupancy in 2020, which is strong
- The property benefits from a **permitted development consent for 23 units** from June 2021
- Potential to add a two storey extension under Permitted Development
- Offers are sought in excess of **£4,850,000 (FOUR MILLION, EIGHT HUNDRED AND FIFTY THOUSAND POUNDS)**, being subject to contract and exclusive of VAT. A purchase at this reflects a **net initial yield of 6%** (assuming purchaser's costs of 6.60%)

ABBAY HOUSE

QUADRANT SHOPPING CENTRE

REDHILL STATION



THE BELFRY SHOPPING CENTRE

HIGH STREET

ABBAY HOUSE, 25 CLARENDON ROAD, REDHILL, RH1 1QZ

LOCATION

Redhill is an established south east office market, in close proximity to Central London, Gatwick Airport and the M25, M23, M3 and M4 motorways. Redhill is situated approximately 20 miles to the south of Central London, 7 miles north of Gatwick Airport and 10 miles north of Crawley.

SITUATION

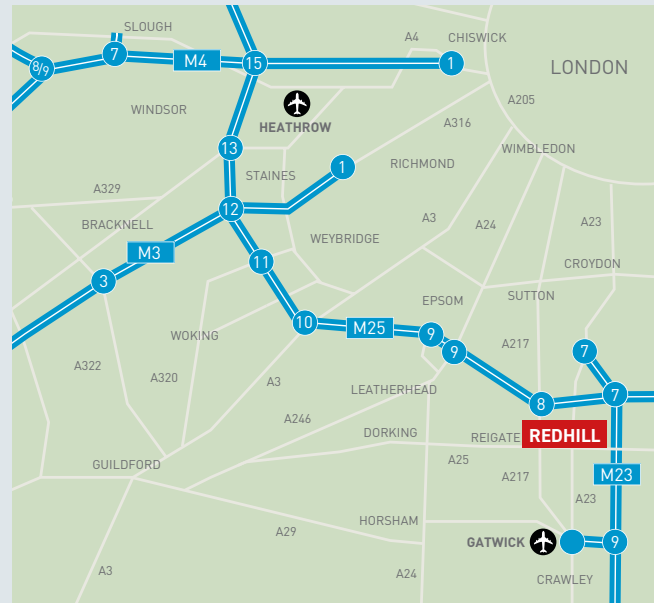
Abbey House occupies a prominent corner position on Clarendon Road within the town's prime office core directly opposite a 200 space multi storey car park. The property is within a short walk of the Belfry Shopping Centre, the town's main pedestrianised retail pitch and Redhill Railway Station.

COMMUNICATION

The town benefits from excellent road communications, being located 2 miles to the south of Junction 8 of the M25 motorway, while also benefitting from access to the M23 through junction 8 and the A24 both within 10 miles. Central London and major surrounding towns including Reigate, Leatherhead and Croydon are all easily accessible.

Redhill Railway Station provides regular train services to both London and the wider south east. The station benefits from an extremely regular service with up to 8 trains per hour to either London Victoria or London Bridge in journey time of approximately 30 mins.

Redhill is located 7 miles to the north Gatwick Airport, Europe's 8th busiest airport, handling over 45 million passengers per year and flying to 228 destinations. Heathrow Airport, the busiest airport in Europe is also located 32 miles to the south east, which handles over 70 million passengers per year and providing services to 185 destinations around the world.



DEMOGRAPHICS

Redhill is situated within the Reigate & Banstead Council area and has a population in order of 137,800. The borough has the largest population of all of the Surrey districts. There is a strong supply of employment talent with a low unemployment rate of 0.5%, compared to a national average of 4.7%, (Office for National Statistics).

The main sector of employment within the town is the Finance and Business Service Sector, which account for close to 40% of jobs in the area. This can be seen in the types of occupiers attracted to the town including Willis Towers Watson, AXA Assistance UK Limited, Lombard Finance Group, Santander and AON Risk Services. These companies benefit from the strong labour pool and the excellent connectivity by rail to the City of London, Europe's main financial centre.



REDHILL REGENERATION

Redhill is seeing significant external investment to redevelop areas of the town centre, with the new Sainsbury's store having been completed in 2017 at the prominent Warwick Quadrant development. This also includes 560 new car parking spaces, a new Travelodge hotel and gym.

Redhill Station Development

The Redhill Station redevelopment has recently undergone a change of focus to a residential led scheme and is due to go out for consultation this year. The proposed scheme includes 300 apartments and a multistorey car park. As part of this proposal, a refurbishment of the train station is expected to be undertaken, whilst Platform 0, a new train platform providing regular services to London Bridge & London Victoria opened last year. The £50m scheme, designed by architects Lewis & Hickey is being developed by Solum Regeneration, a partnership between Kier Property and Network Rail.

Marketfield Way Development

Marketfield Way is a second major Redhill town centre redevelopment scheme which commenced in 2019. The developer JV between Coplan Estates and Reigate & Banstead Borough Council is finalising the CPO to allow completion by 2020/1. The scheme is due to comprise 153 residential units, a 6 screen cinema (pre-let to The Light Cinemas) and a number of retail units.

Picturehouse

Crest Nicholson are on site with a 130 unit, 10 storey residential scheme on Marketfield Way on the former Liquid Envy site next to the train station and opposite the Marketfield Way development.

Public Realm

Memorial Park just to the north of the subject property has been substantially upgraded at a cost of circa £1.4 million with new landscaping, café, tennis courts and fitness track. The Department for Transport provided a £4m grant for significant improvements to Redhill town centre's road network. The town centre now benefits from a two-way traffic system, junction improvements and enhanced pedestrian, cycle and bus routes which have significantly improved access into the town.





ABBEY HOUSE, 25 CLARENDON ROAD, REDHILL, RH1 1QZ

DESCRIPTION

The property comprises a high quality office building constructed in 1999 and arranged over basement, ground, first and second floors with the second floor having the benefit of predominantly glazed elevations. Internally the offices benefit from a high quality specification including:

- Full access raised floors
- Four pipe fan coil air conditioning
- Metal tiled suspended ceilings
- 10 person passenger lift
- Male and female WCs on each floor

32 car spaces are provided in a secure under-croft car park, reflecting an excellent ratio of 1:464 sq ft.

ACCOMMODATION

The property was measured by Hollis in November 2020. A copy of the measured survey is available upon request.

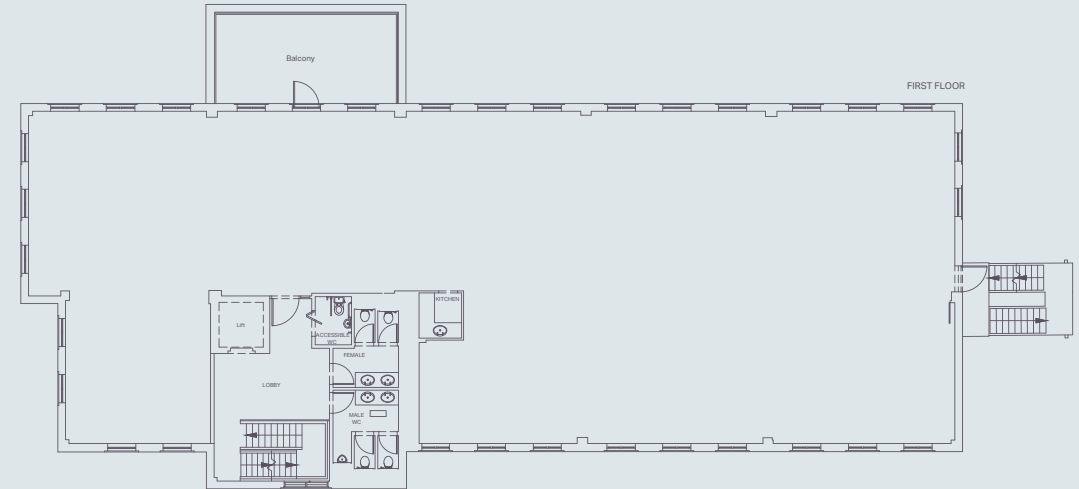
Floor	Use	GIA (sq ft)	GIA (sq m)	NIA (sq ft)	NIA (sq m)
Second	Offices	5,316	493.8	4,704	437.0
First	Offices	5,447	506.3	4,761	442.3
Ground	Offices			4,819	447.7
Ground	Reception	5,770	536.0	564	52.4
Basement	Lift & Riser	178	16.5	-	-
Total		16,711	1,552.3	14,848	1,379.4

TENURE

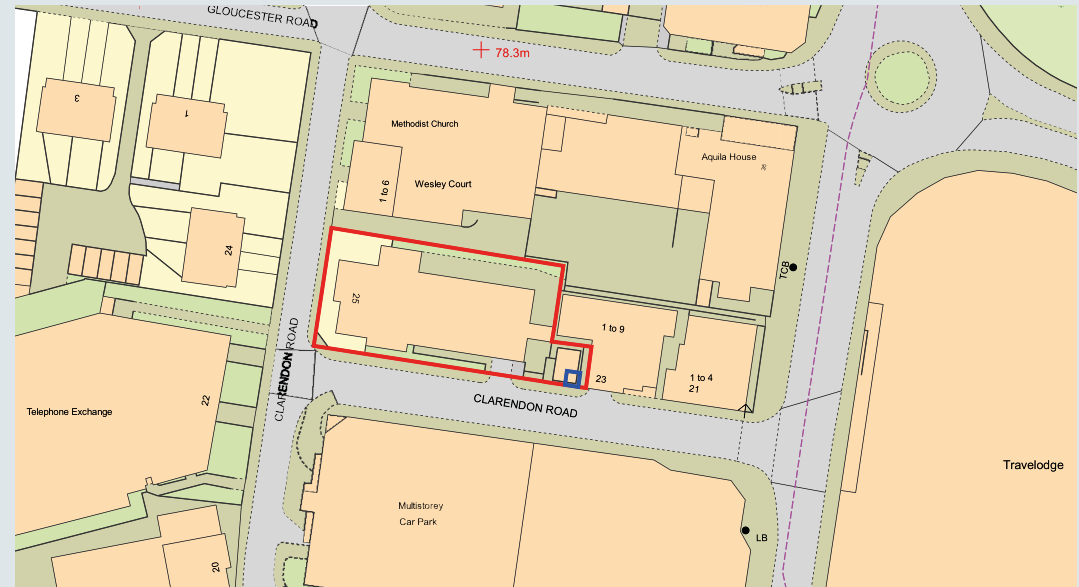
Freehold.

PLANNING

The property is situated in Reigate & Banstead Borough Council. The property is not listed nor does it lie within a conservation area.



Typical floor plan. For indicative purposes only.



For indicative purposes only.

TENANCY

The property is let in its entirety to Redhill Town Centre Limited, trading as Regus and guaranteed by Regus Holdings Plc, for an unbroken term of 11 years from 24th June 2021 on Full Repairing and Insuring terms at a passing rent of £310,000 pa (£20.88 psf). There is an upward only rent review on 24th June 2027.

For the first 42 months of the lease, the rent will be fixed at half rent. the vendor will top-up the rent to the full £310,000. In addition, the vendor has paid a cash incentive of £77,500 (3 months rent) on completion of the lease to cover capital improvement works to the property.

SUMMARY OF GUARANTEE

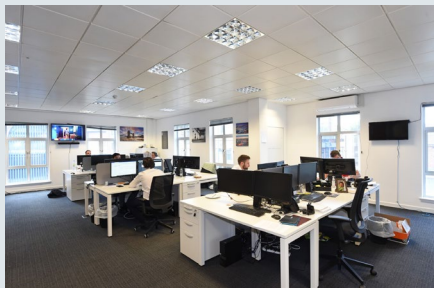
Regus Holdings Plc have provided a legal guarantee to the freeholder to guarantee the obligations of the tenant to pay any unpaid rent due to the landlord up to a maximum of £310,000.00. This guarantee is in place from 23rd June 2021 and expires on the earlier of (a) 23rd June 2032, (b) the date of determination of the lease and (c) the date the tenant assigns the lease.

The lease provides that in the event of insolvency of the guarantor, the Landlord may within 14 working days after giving written notice to the Tenant requiring the Tenant to procure a replacement guarantor. If the Landlord does give the requisite notice to the Tenant then as soon as reasonably practicable after the Landlord giving such notice, the Tenant shall procure that a guarantor of reasonably sufficient standing enters into and delivers to the Landlord a replacement guarantee and indemnity in the same form as that entered into by the Regus Guarantor.

Separately, the lease also stipulates that in the event of assignment or underletting, the Landlord can require a person of equal standing acceptable to them (acting reasonably) to enter into a guarantee to observe and perform the tenant's covenants in the lease **and in the event of forfeiture by the tenant, the guarantor will be under an obligation to take a new lease of the property.** The form of guarantee is provided within the schedules annexed to the lease.

ABBEY HOUSE OCCUPANCY FIGURES

The centre has consistently performed well with an average of 76% occupancy in 2020 which is strong considering COVID-19 and lockdown restrictions.



COVENANT



Redhill Town Centre Limited, company number 07705538:

Floor	31.12.19	31.12.18	31.12.17
Turnover	£807,000	£678,000	£866,000
Pre Tax Profit	-£14,000	-£113,000	£88,000
Net Worth	-£367,000	-£237,000	-£124,000

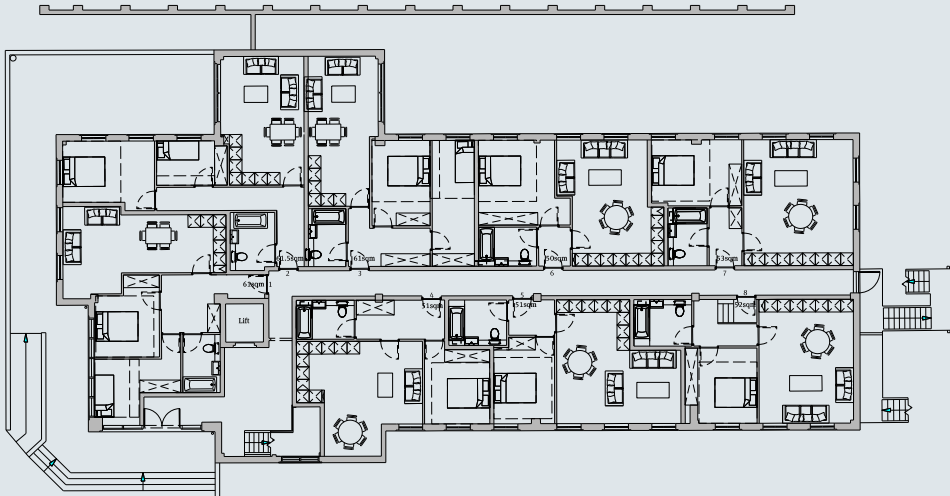
Guarantor: Regus Holdings Plc, company number 07080503:

Floor	31.12.19	31.12.18	31.12.17
Turnover	£48,882,000	£47,513,000	£40,631,000
Pre Tax Profit	£16,021,000	£975,000	£5,617,000
Net Worth	£15,155,000	-£604,000	£17,241,000

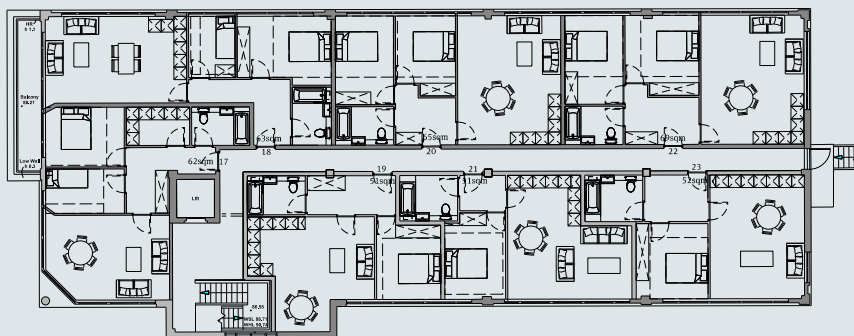


PERMITTED DEVELOPMENT

The property benefits from Permitted Development Rights for 23 units which was granted in June 2021. The vendors architect believes Abbey House is a perfect candidate for an additional two storeys under the new PD rules. A CGI of the property with the additional two floors is provided below together with the PD plans for the ground and second floors.



Proposed ground floor plan. For indicative purposes only.



Proposed second floor plan. For indicative purposes only.

REDHILL RESIDENTIAL MARKET

With its strong links into central London and relatively affordable prices Redhill has been named as one of the best places for commuters to live in the 2020 commuting guide by estate agent Yopa. Boasting excellent schools, good shopping amenities and close proximity to a number of Surrey's beauty spots the town has a lot to offer those looking for easy access to the capital in approximately 30 minutes by train.

Asking prices for new build residential flats in the immediate area average approximately £500 psf dependent on size and quality, with the majority of new stock available in the Warwick House and Station Corner developments. Asking prices for the available flats on Station Corner currently range from £260,000 - £285,000 for one bedroom flats and £385,000 - £405,000 for two bedroom flats.



CGI of two additional storeys.

EPC

Available upon request.

VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. It is envisaged that the sale will be treated as a TOGC.

PROPOSAL

Offers are sought in excess of **£4,850,000 (FOUR MILLION, EIGHT HUNDRED AND FIFTY THOUSAND POUNDS)**, being subject to contract and exclusive of VAT. A purchase at this reflects a **net initial yield of 6%** (assuming purchasers costs of 6.60%).



CONTACT

Strictly via joint agents. For further information please contact:

Mathew Finn
07973 287 124
mathew@finnandcompany.co.uk

Charles Curtis
07890 036 270
charles@finnandcompany.co.uk

Ali Rana
07739 019 717
Ali@finnandcompany.co.uk

Tom Kerins
07821 428 084
tom@finnandcompany.co.uk



1 Portland Place
London W1B 1PN

Tel: 020 7631 1202
www.finnandcompany.co.uk

Liam Stray
07956 981 575
liam.stray@allsop.co.uk

Alex Butler
07801 219 888
Alex.butler@allsop.co.uk

allsop

33 Wigmore Street
London
W1U 1BZ

Tel: +44 (0)20 7437 6977
www.allsop.co.uk

Misrepresentation Act: Finn & Company and Allsop LLP for themselves and for the vendors of these properties whose agent they are give notice that: 1. These particulars do not constitute, nor constitute any part of the offer for sale or contract for sale. 2. All statements contained in these particulars as to these properties are made without responsibility on the part of Finn & Co and Allsop LLP or the vendors or lessors. 3. None of the statements contained in these particulars as to these properties are to be relied on as statements or representations of fact. 4. Any intending purchasers must satisfy themselves by inspection or otherwise as to the correctness of each of the statements contained in these particulars. 5. Any plans or photographs or drawings shown in these particulars are to enable prospective purchasers or tenants to locate the properties. The plans are photographically reproduced and therefore not to scale except where expressly stated. The plans or photographs or drawings are not intended to depict the interest to be disposed of. Where location plans are based on Ordnance Survey maps this is with the consent of HM Stationery Office, Crown Copyright Reserved. 6. No warranty or undertaking is given in respect of the repair or condition of the properties or any items expressed to be included in the sale. 7. Any properties or drawings of the relevant properties or part thereof or the neighbouring areas may not depict the properties or the neighbouring areas at the date a prospective purchaser or tenant inspects the brochure. Prospective purchasers or tenants are strongly advised to inspect the properties and neighbouring areas. 8. Finn & Company and Allsop LLP have not measured the properties and have relied upon clients information. Therefore Finn & Co and Allsop give no warranty as to their correctness or otherwise and the purchasers must rely on their own measurements. 9. All terms quoted are exclusive of value added tax unless otherwise stated. 10. The vendors do not give and neither Finn & Co nor Allsop LLP nor any person in their employment has any warranty whatsoever in relation to these properties. 11. These details are believed to be correct at the time of compilation but may be subject to subsequent amendment. 12. These details were prepared as of JUNE 2021

ANTI-MONEY-LAUNDERING

A successful bidder will be required to provide information to satisfy the AML requirements when Head of Terms are agreed.

DATAROOM

For access to the property's marketing dataroom please use the following link: <https://datarooms.allsop.co.uk/register/Abbeyhouse>

