

# 66-68 SOUTH STREET ROMFORD, RM1 1RB



PRIME HIGH STREET RETAIL INVESTMENT WITH DEVELOPMENT OPPORTUNITIES







## INVESTMENT SUMMARY

- Romford is a thriving commercial and residential centre located within the London Borough of Havering.
- Romford is the principle retail centre for the London Borough of Havering.
- The property is situated 200 metres from Romford Railway Station, which will be on Crossrail and is due to open in 2019.
- Well positioned being 100% prime on South Street.
- Strategically situated between The Liberty Shopping Centre and The Brewery Shopping Centre.
- The property provides 13,191 sq ft NIA of ground floor retail and first floor ancillary/office accommodation.
- Freehold.
- Fully let to two tenants – Santander UK PLC and Sam 99p Ltd.
- Total passing rent of £187,500 per annum.
- Sam 99p are not in occupation of the first floor.
- Excellent medium term development with massing potential to the upper parts and to the rear of the property, subject to planning.
- Asking offers in excess of **£2,520,000 (TWO MILLION, FIVE HUNDRED AND FIFTY TWO THOUSAND POUNDS)** subject to contract and exclusive of VAT.
- **Net Initial Yield of 7.00%** (assuming purchaser's costs of 6.38%).
- Low capital value of £191 psf on the NIA and £176 psf on the GIA.







## LOCATION

Romford is located within the London Borough of Havering, approximately 14 miles north east of Central London, and 12 miles south west of Brentwood. Romford is the principle retail centre for the London Borough of Havering.

The town has excellent road communications with the M25 motorway (Junction 28) approximately 4 miles away, accessed via the A118. The A12 is located directly one mile to the north of the town providing links to Brentwood, Chelmsford and Ipswich and west to Central London.

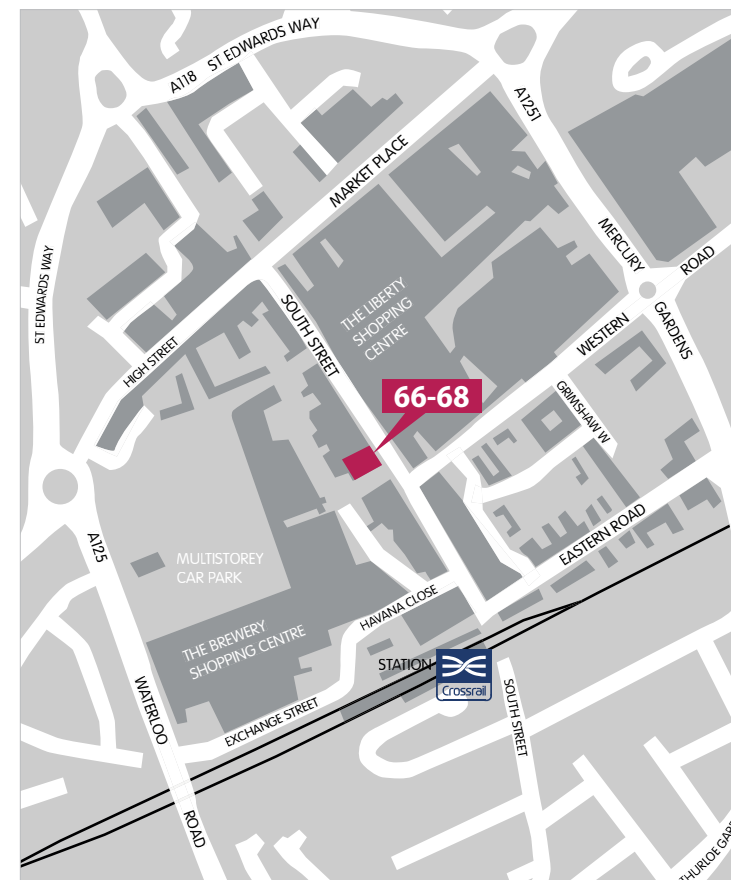
The town is well served by public transport and British Rail with Romford station providing regular services (approximately 10 trains an hour) to London Liverpool Street with a fastest journey time of approximately 15 minutes. Romford station is set to benefit from significant improvements with the introduction of Crossrail, Queen Elizabeth Line in 2019, including upgrades to the station façade, a new modern ticket hall and larger platforms and will improve travel time into The City, West End and West London.

## SITUATION

The property is situated in a prominent corner location at the junction of South Street and Arcade Place at the southern end of the pedestrianised shopping area. The pitch is 100% prime on South Street with neighbouring occupiers including Superdrug, Boots, Tesco Express and Costa Coffee.

Opposite the subject property is The Liberty Shopping Centre, Romford's principle centre for shopping. The centre provides over 100 retail and restaurant facilities and includes tenants such as Marks and Spencer, Primark, Topshop, Starbucks and Boots. Directly behind the subject property lies The Liberty Shopping Centre which provides a combination of retail units and leisure facilities including a 16 screen Vue cinema, a health & fitness club and 24-lane bowling alley. Occupiers include Sainsburys, Gap, Nando's and Pizza Express,. This centre was completed in 2001 and provides a significant element of the town centre's car parking with space for 2,000 vehicles.

“ 100% PRIME  
high street position ”





## DESCRIPTION

The property comprises two well configured retail units arranged over ground and first floor, both fronting South Street.

66 South Street comprises a well configured retail unit let to Sam 99p UK Ltd. The unit comprises a ground floor sales area, with further sales and ancillary space on the first floor. The first floor is currently not used by the tenant. There is a loading service yard to the rear of the unit, which the tenant also has the right to use for parking.

68 South Street occupies a prominent corner location offering return frontage onto South Street and Arcade Place. The ground floor is used as a modern banking hall by Santander with the first floor used for meeting rooms and staff facilities. There is access to rear of the property via a service yard. Santander has the benefit of one car parking space under their lease.

## EXISTING ACCOMMODATION

The property has been professionally measured by Armada Surveys (March 2018) and provides the following areas.

### 66 South Street (Sam 99p Ltd)

Description	NIA (sq ft)	NIA (sq m)	GIA (sq ft)	GIA (sq m)	ITZA
Ground Floor	3,954	367	4,045	376	1,171
First Floor	3,680	342	4,008	372	
<b>Total</b>	<b>7,634</b>	<b>709</b>	<b>8,053</b>	<b>748</b>	

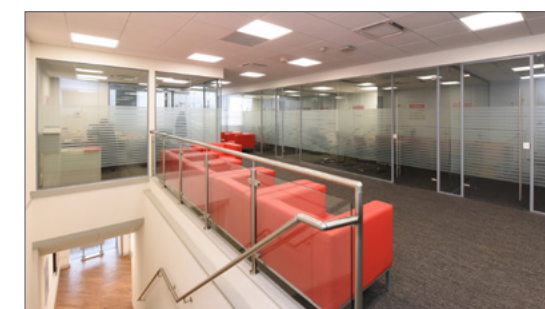
### 68 South Street (Santander UK Plc)

Description	NIA (sq ft)	NIA (sq m)	GIA (sq ft)	GIA (sq m)	ITZA
Ground Floor	2,984	277	3,173	295	1,076
First Floor	2,253	239	3,086	287	
<b>Total</b>	<b>5,557</b>	<b>516</b>	<b>6,259</b>	<b>582</b>	
<b>Overall Total</b>	<b>13,191</b>		<b>14,312</b>	<b>1,330</b>	

Floorplans available upon request.

## TENURE

Freehold.



## TENANCY

The property is let to two tenants on three leases producing a total rental income of £187,500 per annum. The WAULT is 2.5 years to break options and 4.5 years to lease expiries, in accordance with the following schedule:

No.	Floor	Tenant	Lease Start Date	Review	Lease Expiry Date	Lease Break Date	Rent (Per Annum)	Zone A Rent/£psf	Comments
66	Ground and First	Sam 99 P Ltd	07/08/2014	07/08/2019	06/08/2024	07/08/2020	£90,000	£11.78	Rent calculated on an overall basis. Tenant option to break on 6 months notice.
68	Ground Floor	Santander UK Plc	06/03/2015	n/a	31/12/2020	n/a	£70,000	£65.06	Tenant benefits from a rent free period. Vendor to top up. Tenant have been in occupation since 1989.
68	First Floor	Santander UK Plc	06/03/2015	n/a	31/12/2020	n/a	£27,500	£10.69	
Total							£187,500		



## COVENANT

Whilst we are not qualified to provide advice on the financial strength of each tenant, we can report that each tenant provided the following financial results:

### Sam 99p Ltd (05546000)

Year to date	31/08/2016	31/08/2015	31/08/2014
Turnover	£19,247,822	£16,684,966	£16,121,162
Pre Tax Profit	£181,285	£152,038	£81,235
Shareholder Funds	£672,822	£538,106	£419,413

### Santander UK PLC (02294747)

Year to date	31/12/2016	31/12/2015	31/12/2014
Turnover	£8,098,000,000	£8,093,000,000	£8,189,000,000
Pre Tax Profit	£1,917,000,000	£1,345,000,000	£1,399,000,000
Shareholder Funds	£15,934,000,000	£15,524,000,000	£14,193,000,000





## DEVELOPMENT POTENTIAL

66-68 South Street offers significant development potential, subject to obtaining the necessary consents. The freehold site measures approximately 0.24 acres.

The adjacent building has received planning consent to demolish and extend the property. The approved scheme will include four storeys to provide 22 residential units comprising 10 x 1 bed, 11 x 2 bed 1 x 3 bed units with 2 flexible ground floor A1/A2/A3 units and a cafe (A3) to the rear. We believe that there was no affordable housing allocation required.

It is our opinion that the subject site offers similar massing potential to increase the existing ground and one storey building to three/four storeys, subject to obtaining the necessary consents. There is also potential to extend the property to the rear via construction on the service yard.

Romford has already begun to experience the benefit of Crossrail, which is due to open in 2019, it is thought residential prices will continue to rise as first time buyers and investor's alike maintain interest in the area due to its fast communication links to London's West End and City. With increased residential demand, it is also thought that this will have a knock on positive knock-on effect on the town's retail offering and demand.

## EPC

A copy of each EPC is available upon request.

## VAT

The property has been elected for VAT and it is anticipated that the sale will be treated as a going concern (TOGC).

## PROPOSAL

We are instructed to seek offers in excess of **£2,520,000 (TWO MILLION, FIVE HUNDRED AND TWENTY THOUSAND POUNDS)**, reflecting a **net initial yield of 7.00%** assuming purchaser's costs of 6.38% and a low capital value of £191 psf on the NIA and £176 psf on the GIA







## CONTACT

Strictly via sole agents.

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