



77-81 High Street Tonbridge TN9 1RX

**PRIME HIGH STREET RETAIL INVESTMENT FOR SALE
WITH RESIDENTIAL PLANNING CONSENT**

Investment Summary

- Freehold retail investment.
- Popular South East commuter town with strong growth prospects.
- Let to Poundland Ltd. from January 2022.
- Secure income to January 2027.
- Planning consent secured for the development of 14 apartments above ground floor.
- Offers in excess of **£2,200,000** plus VAT reflecting a net initial yield of **7%**.
- Low capital value of **£147 psf**.



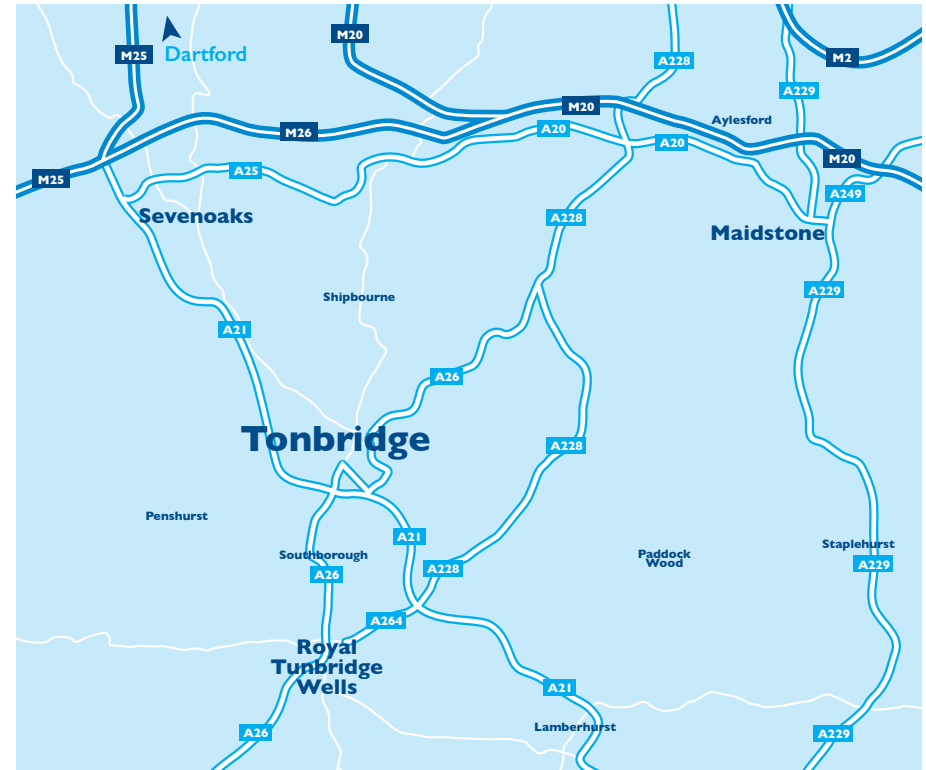
Location

Tonbridge is an historic market town and affluent administrative centre in the borough of Tonbridge and Malling which has a population of some 132,000 (2021) and is projected to grow to 145,000 by 2031.

Tonbridge is approximately 36 miles from Central London to the north west, 5 miles north of Tunbridge Wells, 14 miles south west of Maidstone and 7 miles south of Sevenoaks. Tonbridge benefits from excellent communications, being located at the junction of the A26 and A21 trunk roads.

The A26 runs to Newhaven and Eastbourne via the A22 and north to Maidstone. The A21 links Hastings on the South Coast to Central London. Junction 5 of the M25 is approximately 8 miles to the north. Gatwick Airport is 33 miles distant.

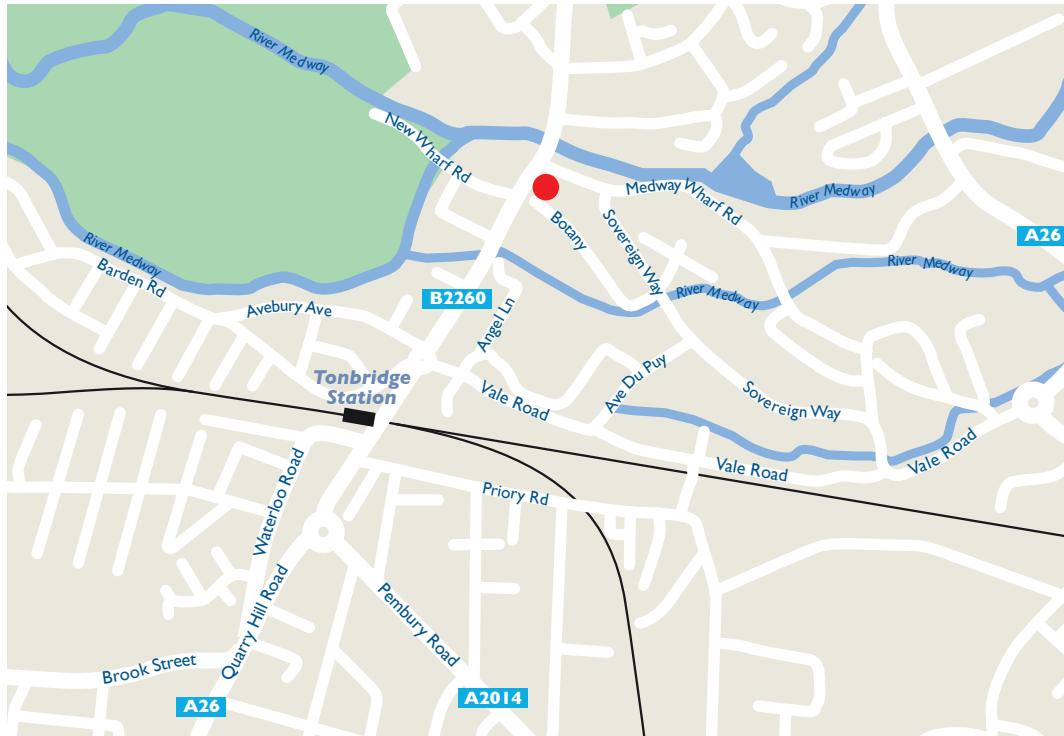
Tonbridge mainline railway station, located just 0.3 miles to the south east of the property, provides regular services to London Charing Cross and London Bridge, with a fastest journey time of some 40 minutes.



Tonbridge provides a good range of local amenities with the High Street benefiting from a multitude of shops, pubs/bars and restaurants. Tonbridge also benefits from a number of supermarkets, including, Sainsbury's, Waitrose, Aldi and Lidl.

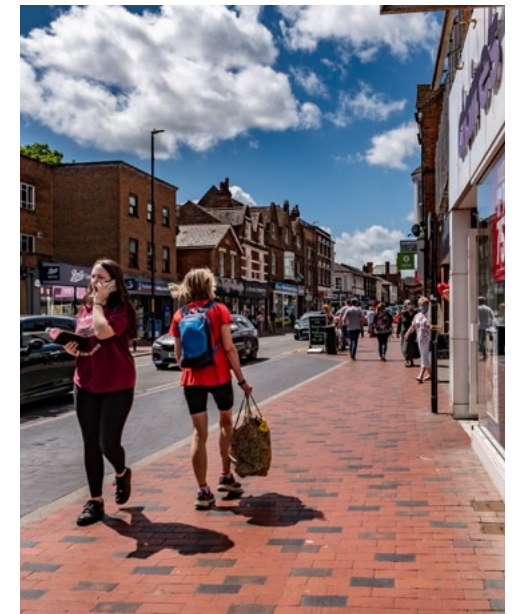
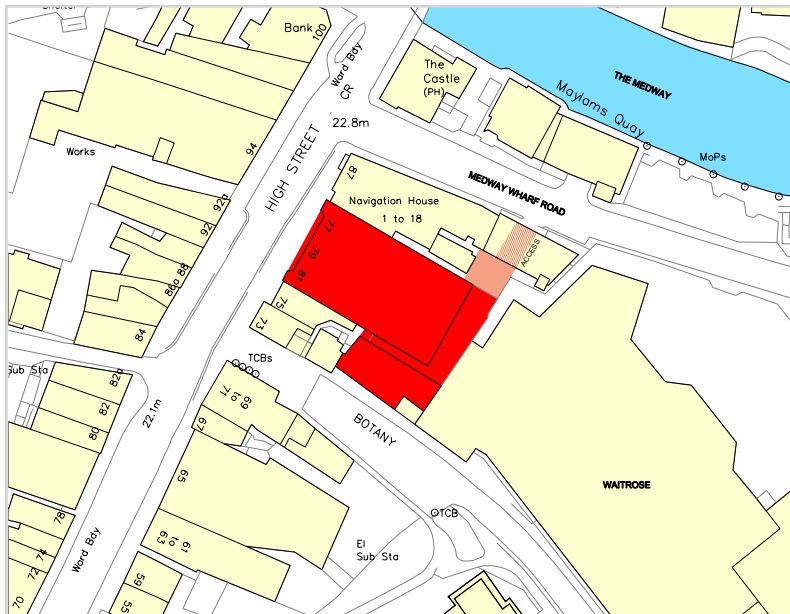
There are many well-regarded schools within Tonbridge, including primary schools such as The Slade, Woodlands, St Margaret Clitherow Catholic Primary School and Hilden Grange. Tonbridge also benefits from several highly regarded grammar/state and private secondary schools, including Judd, Tonbridge Girls Grammar, Weald of Kent, Hillview, Haysbrook and Tonbridge School.

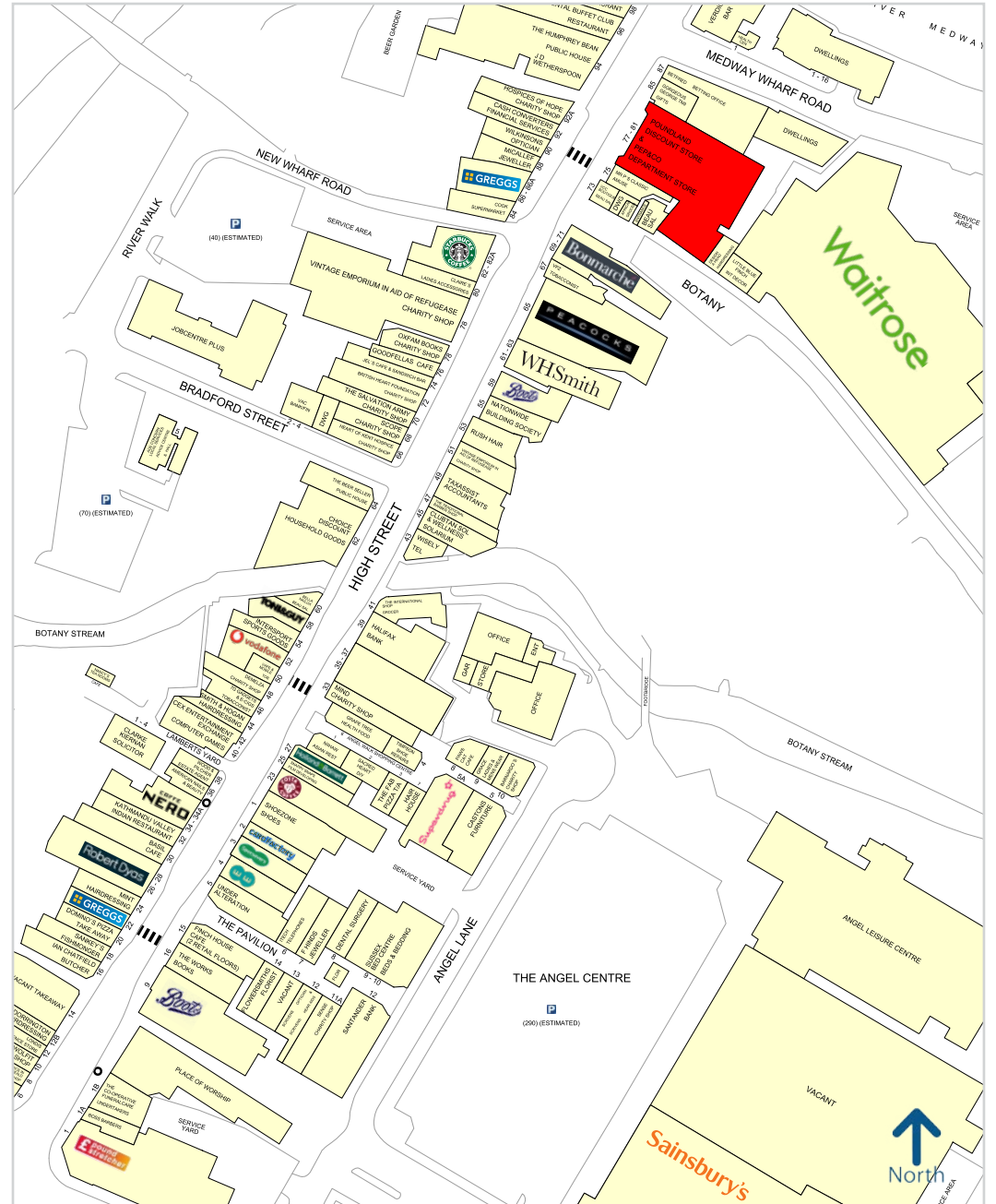
The surrounding towns and villages also offer a wide range of primary, grammar/state and private schools. Additionally, an abundance of leisure facilities is available in the immediate area, with several golf, football and rugby clubs and leisure centres nearby.



Situation

The property lies at the north end of the High Street adjacent to Waitrose and Iceland and a short walk from the Sainsbury's Supermarket, close to Wetherspoons, Peacocks, Greggs, Starbucks and Cook, together with many local and regional specialist retailers and restaurants.





Description and Accommodation

The property comprises a substantial 2 storey retail unit with an extensive frontage to the High Street and secondary access on to The Botany.

The property is arranged on ground and first floor with a basement plant room and provides good clear sales space on the ground floor and storage and staff facilities on the first floor. There is a further area of 1st floor space above The Botany which is not demised to Poundland and which will be subject to leaseback by the vendor.

The property has been measured in accordance with the RICS Measuring Guidance and comprises the following:

Gross Frontage	65 ft	19.81 m
Net Frontage	61 ft	18.59 m
Botany Frontage	46 ft	19.69 m
Shop Depth	120 ft	36.57 m
Ground Floor Sales	8,741 sq ft	812 sq m
First Floor Storage	7,037 sq ft	654 sq m
Basement/Storage	220 sq ft	20 sq m
First Floor Botany	1,500 sq ft	139 sq m
Second Floor Botany	225 sq ft	21 sq m

The property has rear access from Medway Wharf Road and can be serviced from both the High Street and The Botany.

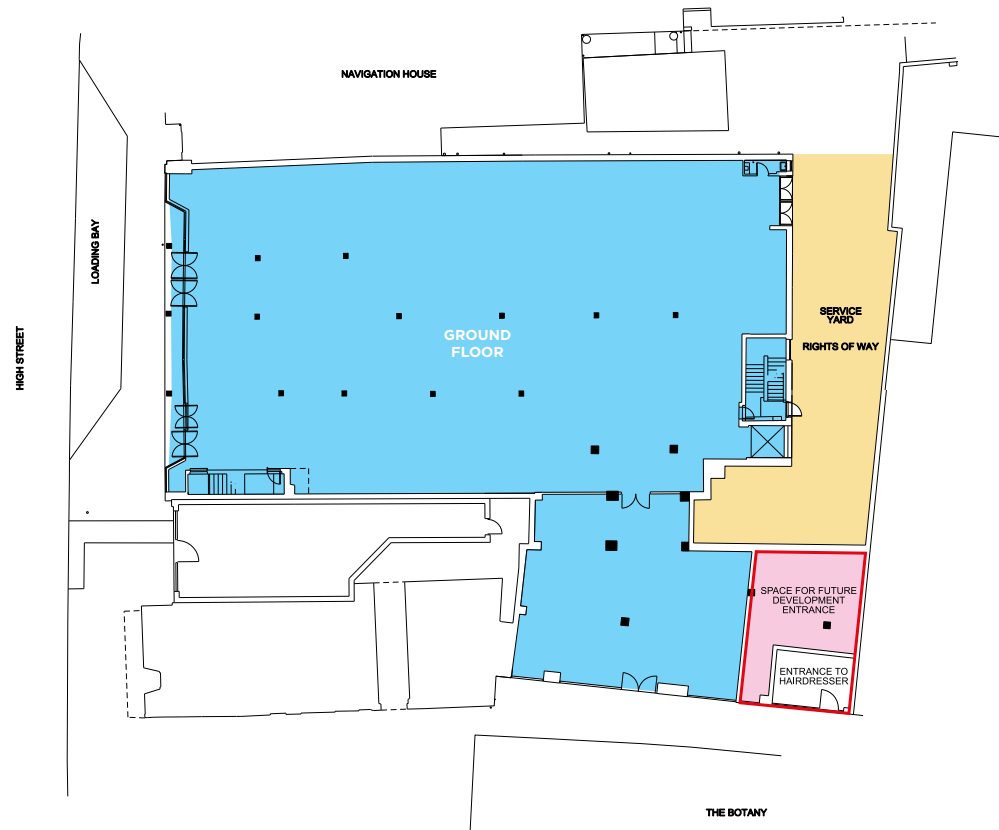
Poundland has recently fully refitted the ground floor in their standard corporate image.

The site occupies an area of 0.21 acres (0.08 hectares).

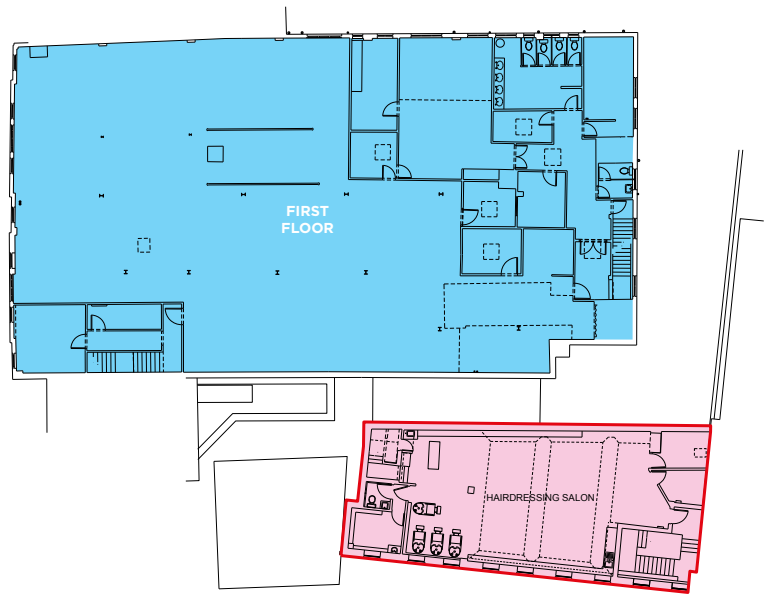


Floor Plans

Ground Floor



First Floor



Tenure

The property is freehold.

Tenancy

The property is let to Poundland Ltd, (Company Number 02495645) on a lease commencing 30 January 2022 and expiring 29 January 2027, at a rent of £165,000 pax.

There is a Schedule of Condition attached to the lease and a service charge recovery of repairs expenditure.

Leaseback

The vendor will enter into a leaseback of the upper parts of The Botany for a term of 999 years at a peppercorn rent, as shown edged red on the floor plans.



Tenant Covenant

Poundland Ltd (Company Number: 02495645) has reported the following figures:

	27 September 2021	27 September 2020
Turnover	£1,544,694,000	£1,476,640,000
Pre-tax profit/(loss)	£33,478,000	(£27,638,000)
Net assets	£125,057,000	£84,260,000

Despite the continuing challenges of Covid-19 and the impact of various government restrictions in the territories in which they operate, Poundland made strong progress in revenue and profitability for the year. Cash balances increased to £71.6 million for the year, compared with £63.6 million at the end of the prior year. Company adjusted EBITDA was £179.2 million compared with £124.9 million for the previous period.

Established in 1990, Poundland offers thousands of quality products from food and drink to homeware and garden supplies to over 7 million customers every week. The company employs almost 17,000 people and for the period ending September 2021 traded from 900 stores in the UK and Republic of Ireland where it trades through the Dealz brand. The company also has a growing store base in Poland and Spain. Within the UK and Ireland, Poundland has also rolled out its fashion brand Pep & Co to around 350 of its larger stores including the subject premises.

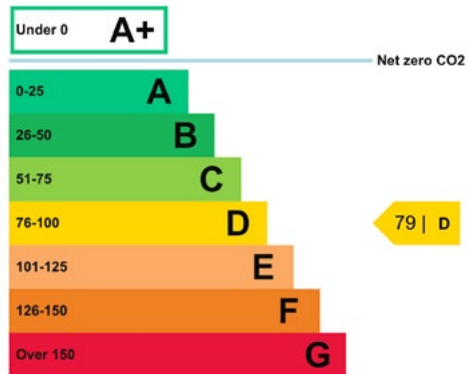
The company has invested in new product ranges and categories including chilled and frozen food. Following a successful trial of numerous stores, the chilled and frozen range was successfully rolled out to 80 stores during the year and will be rolled out to over 400 stores during the next two financial years. The company's participation in this market has been enabled by the acquisition in October 2020 of the Fultons Food business.

The company is a subsidiary of Pepco Group, the fastest growing multi-format pan-European discount variety retailer. Through its retail brands - Pepco, Poundland and Dealz, the group trades from 3800 stores in 17 territories across Europe serving 50 million shoppers each month. For the year ending September 2021, Pepco Group reported a revenue of €4.122 billion and pre-tax profits of €244 million. For further information see www.pepcogroup.eu.

On 14 July 2022 Pepco Group announced its interim results for Q3 ending 30 June 2022. Year-to-date revenue was €3.582 billion, up 17.4% year on year and like for like sales growth was 4.9% supported by a Q2 LFL of 12.1%.

EPC

The property is assessed as: D



VAT

The property has been registered for VAT and it is anticipated the sale will be treated as a Transfer of a Going Concern.

Anti Money Laundering

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



Planning

Planning consent was obtained on 14th November 2018 (planning ref: 18/00893/FL) for the conversion of the first floor and addition of a second floor to provide 14 apartments arranged around a courtyard. The ground floor has a flexi-consent with the possibility of providing two well proportioned High Street units and one unit fronting The Botany.

A Certificate of Proposed Lawful Use was obtained to implement this consent and the works commenced. This would enable development to take place at the expiration of Poundland's lease without further recourse to the planning authority.

A positive response was received from the local planning authority following a pre-application enquiry for a scheme to demolish the property and its replacement with a mixed-use building, comprising ground floor retail (class E) and 34 residential apartments in a 4/5 storey block.

Tonbridge Residential Market

The Tonbridge residential sector has seen significant activity over the last few years with a number of major residential developments having been completed or are currently in construction.

The Medway Wharf Road area, which lies directly to the east of the property is predominantly residential and includes a number of significant modern residential developments by national house builders of Cannon Wharf, Holmes Court, Walter Farm Road, Ashby Point and White Friars Wharf incorporating a series of large residential blocks of up to 8 storeys in height.

Notable current developments in close proximity to the property include Shanly Homes RiverWalk site which will include 36 one and two bedroom apartments and just outside the town centre in Hildenborough, Berkley Homes are currently on site and constructing 138 apartments, shared residents facilities, together with 27 houses set within 30 acres.

Also on Medway Wharf Road the redevelopment of the former Gas Works site has now received approval for some 144 residential units.

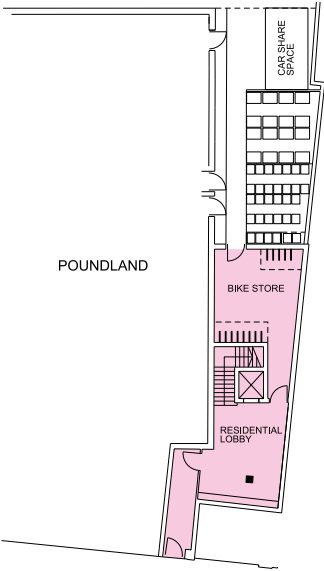
There is still very limited availability of residential properties in the Tonbridge market and there are currently as half as many properties available to buy, since the start of 2022.

The falling level of stock levels has resulted in a clear mismatch between supply and demand, which continues to support sale prices and rental values.



Residential Floor Plans

Ground Floor



First Floor



Second Floor





Proposal

We are instructed to seek offers in excess of **£2,200,000 (Two million two hundred thousand)**. Subject to Contract reflecting a net initial yield of **7%** assuming purchaser's costs of **6.8%**.

Contact

For further detailed information please contact:

Chris Tippetts

Tel: 020 7182 1896

Email: chris.tippetts@molyrose.co.uk

Julian Lochrane

Tel: 020 7182 1893

Email: Julian.lochrane@molyrose.co.uk

Dominic Tomlinson

Tel: 01732 350503

Email: dominic.tomlinson@bracketts.co.uk

Molyneux Rose LLP

22-23 Old Burlington Street

London W1S 2JJ

020 7409 0130

Bracketts

132 High Street

Tonbridge Kent TN9 1BB

01732 350503

As required by the Estate Agents Act we confirm that a member of Molyneux Rose has an interest in the property.

Misrepresentation Act: These particulars are believed to be correct but accuracy cannot be guaranteed and expressly excluded from any contract. Date: February 2023.

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