

Freehold Town Centre Office and A2 Investment



The Old Court House, 267/275 High Street

Dorking, Surrey

Investment Summary

- **Purchase Price in excess of £1,455,000, subject to contract.**
- **Attractive Net Initial Yield of 7.00%.**
- **Freehold.**
- **Low capital value of £2,314 per sq m (£215 per sq ft).**
- **Total net internal area of 628.96 sq m (6,770 sq ft).**
- **Passing rent reflects £163.94 per sq m (£15.23 per sq ft) overall on the office building and £247.79 per sq m (£23.02 per sq ft) Zone A on the A2 element.**
- **Strong tenant profile; let to Barclays Bank Plc and Countrywide Estate Agents.**
- **Excellent town centre car parking ratio of 1:23.29 sq m (1:250 sq ft).**
- **Potential for residential development, subject to obtaining the necessary consents.**

Location

Dorking, located in the county of Surrey, lies approximately 10 km (6 miles) west of Reigate, 21 km (13 miles) east of Guildford, 32 km (20 miles) north west of Crawley and 42 km (26 miles) south of Central London.

Dorking is an affluent market town and a desirable commuter location. The town, surrounded by an Area of Outstanding Natural Beauty, is internationally renowned for its antique trade and home to England's largest vineyard, attracting over 300,000 visitors a year.

Local occupiers include Frazer-Nash Consultancy Ltd, Telemar UK Ltd, Comino Connect Plc, Grafton Group Plc, Dorking Magistrates Court and the Mole Valley District Council head offices.

Communications

Dorking benefits from excellent communications by road, rail and air.

The town is well located at the intersection of the A24, which provides direct access to the M25, and the A25. The M25 motorway (junctions 8 and 9) are approximately 12 km (7 miles) to the north east and north respectively, providing access to the national motorway network.

Dorking is served by three railway stations all within short walking distance of the town centre. Dorking North, the mainline station, offers services to London Victoria and London Waterloo with a fastest journey time of 50 minutes. Dorking Deepdene and Dorking West stations provide an east west connection from Gatwick via Guildford to Reading.

Gatwick Airport is approximately 23 km (14 miles) to the south east of Dorking and Heathrow Airport is 45 km (28 miles) to the north both providing regular flights to domestic and international destinations.

Demographics

Dorking is an affluent commuter town with a district population of approximately 80,287. The town has a catchment population within 10 km (6 miles) of 103,438 rising to approximately 1,065,681 within 20 km (12 miles).

The district has a strong local economy with home and car ownership at 77.1% and 35.4% respectively, considerably higher than the national average. The towns employment structure is dominated by the Banking, Finance & Business Services sector employing 27.8% of the population. Dorking has a strong socio economic profile with the Mosaic Consumer Classification index groups of Urban Intelligence with Suburban Comfort providing a combined total of 31.3% compared to 23.1% nationally. Furthermore, Symbols of Success within the urban area is 27.9% compared to the national average of 10.5%.

Situation

The Old Court House is prominently positioned on the north side of the A25 High Street, 300 metres from its junction with the A24. Access to the car parking at the rear of the building is provided by Jubilee Terrace and Wathen Road.

Located in the vibrant town centre, the property is bounded by office, retail and residential uses with St Martins Shopping Centre, anchored by Marks & Spencer, approximately 250 metres to the south west. Dorking Halls, the District Council head office and the Mole Valley Sports Centre, a new development incorporating the towns principal leisure facility, are in close proximity.

In addition, the historic West Street, home to internationally renowned antique dealers, and the mainline railway station are within 0.8 km (0.5 miles).

Description

The investment provides self contained offices to the part ground and two upper floors and an A2 unit on ground with undercroft and surface car parking to the rear.

Built in the late 1980's, The Old Court House is of reinforced concrete frame construction with red brick elevations and feature Tudor decoration under a pitched tiled roof.

The office specification comprises:

- suspended ceilings with integral lighting
- 3 compartment underfloor trunking
- double glazed windows
- 8 person (630 kg) passenger lift serving basement, ground and second floors
- Male and female WC's on the ground and first floors with a disabled WC on the ground floor.

The office tenant has installed air conditioning and kitchenettes to all floors.

The A2 unit, located on part of the ground floor, is of a similar specification.



Illustrative floor-plans are available on our website www.dbaprop.co.uk. To access click on the property and see section 'Other Documents'.

Accommodation

The site area is approximately 0.08 hectares (0.21 acres).

Car Parking

There are 27 car parking spaces providing an excellent ratio of 1:23.29 sq m (1:250 sq ft).

Tenure

Freehold.

A right of way exists, as shown hatched brown on the Ordnance Survey plan, between Jubilee Terrace and Wathen Road. The adjacent 277 High Street has a right of way to access 5 car parking spaces, as shown shaded blue.

Tenancies

The investment is multi-let on full repairing and insuring leases producing a total income of £107,750 per annum.

The office accommodation is let in its entirety to Barclays Bank Plc on a full repairing and insuring lease for a term of 25 years commencing on 18th July 1988 at a current rent of £86,500 per annum, equating to £163.94 per sq m (£15.23 per sq ft) overall. There is a mutual option to determine the lease on 18th July 2008 with 6 months written notice. Barclays Bank Plc have 23 car parking spaces.

The remainder of the ground floor is let to Countrywide Estate Agents, trading as King & Chasemore, on a full repairing and insuring lease for a term of 25 years commencing on 25th March 1987 at a current rent of £21,250 per annum equating to £247.79 per sq m (£23.02 per sq ft) Zone A with a review on 25th March 2007. Countrywide Estate Agents have 4 car parking spaces.

Sub Tenancies

Barclays Bank Plc are not in occupation and have sub-let the office accommodation outside the Landlord & Tenant Act 1954. The ground floor is let to JMA (UK) Limited commencing on 20th December 2002 and expiring 24th March 2008 at a current rent of £24,200 per annum equating to £160.50 per sq m (£14.91 per sq ft). The sub tenant benefits from 6 car parking spaces.

The second floor is sub let to Platinum Insurance Solutions Limited commencing 18th July 2005 and expiring 24th March 2008 at a current rent of £14,340 per annum equating to £168.89 per sq m (£15.69 per sq ft). The sub tenant benefits from 4 car parking spaces.

Covenant

Barclays Bank Plc and Countrywide Estate Agents reported the following accounts as at 31/12/2005:

Tenant	Pre-Tax Profit	Net Worth
Barclays Bank Plc	£5,311,000,000	£15,374,000,000
Countrywide Estate Agents	£315,430,000	£53,725,000

Residential Development Potential

Our enquiries with the local planning department have confirmed they would support a change of use to residential subject to the potential retention of the A2 unit. Linden Homes are currently developing an extension to a residential scheme adjacent to the Sports Centre on Reigate Road. Apartments in the scheme have achieved prices ranging from £3,692 to £4,628 per sq m (£343 to £430 per sq ft).

Proposal

We have been instructed to seek offers in excess of £1,455,000 (One Million, Four Hundred and Fifty Five Thousand Pounds), subject to contract and exclusive of VAT, reflecting an attractive net initial yield of 7.00%, based upon costs of 5.7625%.

Value Added Tax

VAT is not payable on the purchase price.

Investment Considerations

- **An opportunity to acquire a town centre office and A2 unit prominently located on the A25 High Street in close proximity to the mainline railway station.**
- **Located in an affluent and desirable commuter town.**
- **Excellent communications with easy access to Gatwick Airport, M25, M3 and M23 motorways.**
- **Strong tenant profile: let to Barclays Bank Plc and Countrywide Estate Agents.**
- **Potential for a residential development, subject to obtaining the necessary consents.**
- **Investment underpinned by residential values: Linden Homes are achieving prices ranging from £3,692 to £4,628 per sq m (£343 per sq ft to £430 per sq ft).**
- **Office lettings at Oak Green House, 250/256 High Street, have achieved £172.22 per sq m (£16.00 per sq ft) with retail lettings in the town achieving £484.38 per sq m (£45.00 per sq ft) Zone A.**
- **Excellent car parking provisions with 27 spaces providing a ratio of 1:23.29 sq m (1:250 sq ft).**
- **Opportunity to secure a surrender premium from Barclays Bank Plc.**
- **Low capital value of £2,314 per sq m (£215 per sq ft).**
- **Attractive net initial yield of 7.00%.**

SUBJECT TO CONTRACT



Tenancy and accommodation schedule

Tenant	Floor	Use	Accommodation	
			sq ft	sq m
Barclays Bank Plc	Second	Offices	914	84.91
	First	Offices	2,962	275.18
	Part Ground	Offices	1,623	150.78
		Reception	182	16.91
Sub-Total			5,681	527.78
Countrywide Estate Agents (t/a King & Chasemore)	Part Ground	A2	1,089 (ITZA 923)	101.17 (ITZA 85.74)
Sub-Total			1,089	101.17
Total			6,770	628.95



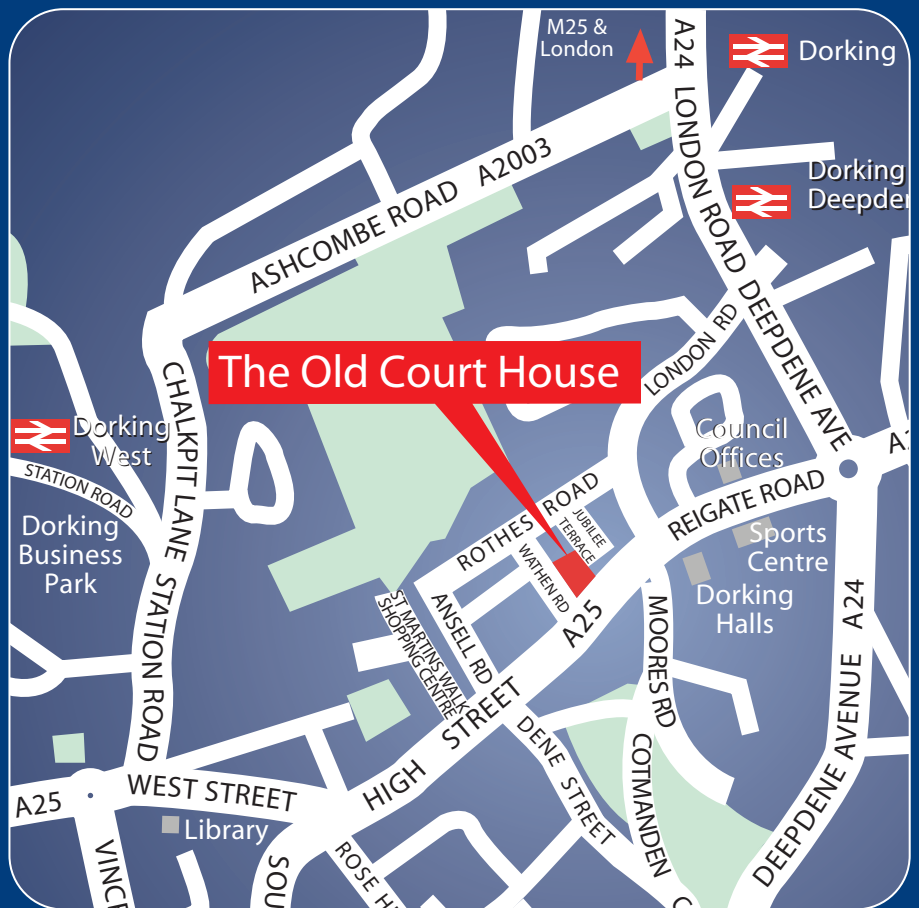




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