



EXCITING INVESTMENT / DEVELOPMENT OPPORTUNITY

CALVERLEY HOUSE
53-55 CALVERLEY ROAD
& 3 CALVERLEY STREET, TN1 2TU

ROYAL TUNBRIDGE WELLS



INVESTMENT SUMMARY

- **Prominent island site in the heart of Royal Tunbridge Wells.**
- Royal Tunbridge Wells boasts one of the most affluent catchment populations in the UK and is **within commuting distance of the capital.**
- Retail element comprises ten units extending to 23,039 sq ft NIA producing a **current income of £430,510 per annum.**
- Tenants include CEX, Coral and Argos who have recently signed a new lease.
- **AWULT of 5.8 years to expiry and 3.8 years to break on the retail income.**
- **Calverley House offices extend to 66,034 sq ft GIA** and are single let to Solutions Business Space Ltd producing a current rent of £750,000 per annum.
- Calverley House benefits from **Permitted Development Rights to convert the offices to 112 apartments.**
- 3 Calverley House extends to 1,966 sq ft and produces an annual rent of £25,000 per annum.
- 115 space multi-storey car park with development potential (S.T.P.).
- **Freehold.**
- We are instructed to seek offers in excess of **£18,000,000 (Eighteen Million Pounds)**, exclusive of VAT, for the freehold interest in this property. After purchaser's costs of 6.74%, a purchase at this level reflects a **capital value of £153 psf on the office GIA**, assuming a NIY of 7.00% on the retail and a value of £1,750,000 on the car park.





CALVERLEY ROAD

Calverley Grounds

Assembly Hall Theatre

Fenwick Department Store

Tunbridge Wells
Railway Station

Royal Victoria Place
Shopping Centre



THE PROPERTY

CALVERLEY HOUSE

The building was constructed in the 1960s and extensively refurbished in the late 1980s. The property is of concrete frame construction providing retail accommodation at ground floor level, with self-contained offices accessed via Calverley Road arranged over ground and four upper floors. The office space is arranged around an impressive central courtyard.

The retail element consists of 10 well configured units with retail sales at ground floor level and ancillary storage accommodation at lower ground floor level.

The office element of Calverley House is accessed via Calverley Road and is arranged around an impressive central courtyard. The offices provide a total NIA of 46,559 sq ft and a GIA of 66,034 sq ft in its current configuration as a business centre.

We are of the opinion of that the current gross to net area could be significantly improved.

3 CALVERLEY STREET

The building comprises a detached, self-contained office arranged over ground and two upper floors, providing a total NIA of 1,996 sq ft.

CAR PARK

A self-contained car park adjoins 3 Calverley Street, providing parking for 115 vehicles currently demised to the office tenants. The car-park covers an area of 0.23 acres.

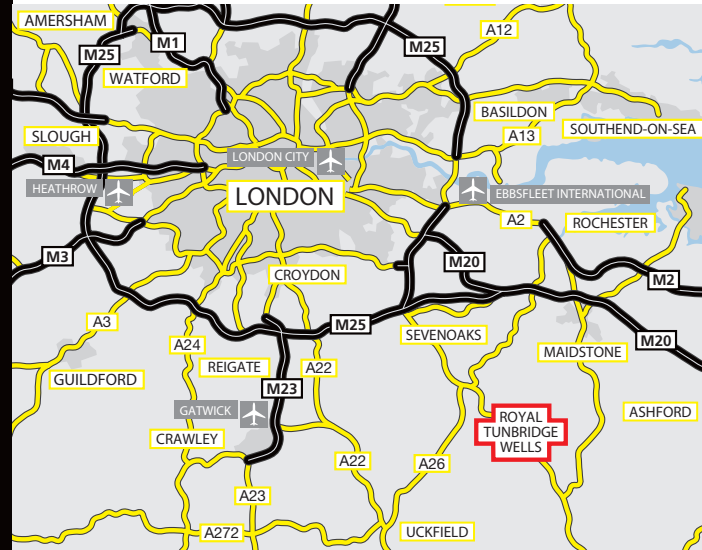
LOCATION & COMMUNICATION

The famous Kent spa town of Royal Tunbridge Wells boasts one of the most affluent catchment populations in the UK and a strong retailing centre. Tunbridge Wells is approximately 31 miles south east of London, 19 miles east of Crawley and 16 miles south west of Maidstone.

By road the town is well connected via with the A21, which links the Tunbridge Wells to junction 5 of the M25 to the north, and Hastings to the south. Also to the south, the A26 connects the town with Brighton and Eastbourne.

The town benefits from excellent rail links with regular trains into central London with a fastest journey time of 55 minutes into London Cannon Street and 57 minutes into Charring Cross Station. Calverley House lays less than a 5 minutes walk from the station.

By air, London Gatwick Airport is 25 miles west of the town and is the UK's second busiest airport.





SITUATION

The property is a prominent island site in the centre of Royal Tunbridge Wells with the retail facing the prime pedestrianised section of Calverley Road at the busy intersection of Camden Road.

The entrance to the Westfield owned, Royal Victoria Place Shopping Centre lies adjacent to Calverley House and is anchored by Fenwick and Marks & Spencer.

Other national multiples in close proximity to the subject property include; White Stuff, Edinburgh Woollen Mill, Iceland, Hobbs, Miss Selfridge and Waterstones. Both the Royal Victoria Place and Crescent Road car parks are a short walk from Calverley House and Tunbridge Wells train station only 600m away on Mount Pleasant Road.



TUNBRIDGE WELLS RETAIL MARKET

Town centre retail floor space in Tunbridge Wells is in the region of 1.17 million sq ft (PROMIS). The town has a primary catchment of 307,000 people and also benefits from a large number of tourists, both domestic and foreign.

The prime high street pitch of the town is along the pedestrianised section of Calverley Road at the Camden Road end. This pitch boasts retailers such as Marks & Spencer, TopShop, Boots and White Stuff. Tunbridge Wells' shopping centre, Royal Victoria Place, also opens out onto the pedestrianised section of Calverley Road and includes tenants such as Fenwick, Gap and Next. The quality of the fashion offer in the town is such that the Royal Tunbridge Wells ranks 24th in the PMA 200 towns' ranking for fashion provision.

Prime rents have risen above the pre-recession peak to £160 zone A. The current rental tone of £50-65psf zone A on the subject property reflects a significant discount to the prime.

Planning has been granted for an extension of Royal Victoria Place which would incorporate the site on the corner of Camden Road and Calverley Road. This will significantly enhance the footfall pitch, and prominence of the subject property.





DEVELOPMENT OPTIONS

CALVERLEY HOUSE OFFICES

A Prior Approval application was approved on 11th October 2016 for the change of use of the offices to residential via Permitted Development to create a total of 112 apartments with a total NIA of 41,254 sq ft. The scheme comprises 46 studio flats with an average NIA of 350 sq ft, and 66 one bedroom flats with an average NIA of 400 sq ft. We believe that there is potential to reconfigure the mix of units in order to optimise the gross to net floor area ratio, subject to obtaining the necessary planning consents.

Unit Type	Number of Flats	Average NIA (sq ft)
Studio	46	350
One Bedroom	66	400
Total	112	41,245

With a short journey time into central London and good links to the wider road network, Royal Tunbridge Wells is an established commuter location. Sales' values in Royal Tunbridge Wells are in excess of £500-£550 psf for one bedroom flats.

Copies of the approved plans, a full schedule of accommodation and the approval notice are available within the dataroom.

CAR PARK

This scheme does not encompass the car park or 3 Calverley Road. Formal pre-application discussions have been held based on the redevelopment of the car park with a mixed use scheme comprising 19 apartments and office space, which in principle is supported by Local authority. This would not fall under Permitted Development.

A copy of the pre-application advice is available within the dataroom.

TENANCY

The office element of **Calverley House** is single let to Solutions Business Space Limited (t/a Calverley House Business & Conference Centre) for a term of 15 years from 10th September 2007 (expiring 9th September 2022), at a rent passing of £750,000 per annum. Part of the space has been sub-let; a sub-tenancy schedule is available in the data-room. Due to the vendor's direct relation with the tenant, there may be **scope to achieve vacant possession of the uppers before the lease expiry date.**

The **retail** element of the property is **multi-let to nine retail tenants with an AWULT of 5.8 years to expiry and 3.8 years to break.** The tenants include CEX, Coral and Argos who have recently signed a new lease. One of the units is vacant with a one year rent, rates and service charge guarantee to be provided by the vendor. The **total retail income is £430,510 per annum.**

3 Calverley Street is single let to Rochester Tuition Centre Limited on a **10 year term from 17th April 2014**, subject to a rent review and a tenant break option in the fifth year. The **current rent is low at £25,000 per annum reflecting £12.53 per sq ft.**

The total current income is £1,205,510 per annum.

Unit	Tenant	Use	Total NIA Area (sq ft)	ITZA (sq ft)	Basement (sq ft)	Lease Start	Lease Expiry	Rent Review	Break	Current Rent	Rent ITZA / psf	ERV psf / ZA	ERV	Comments
53a Calverley Rd	Indigo Furniture Ltd	Retail	2,829	1,026	1,401	10-Jun-16	9-Jun-26	9-Jun-21	9-Jun-21	£70,000	£65	£65	£70,193	
53b Calverley Rd	Vacant	Retail	1,875	700	904					£47,760	£65	£65	£47,760	12 month rent and void guarantee.
55a Calverley Rd	Argos	Retail	10,249	2,150	4,710		02-Sep-22			£110,000	£46	£52.5	£124,650	Regear agreed at new rent of £110,000 per annum, but not yet documented.
2 Camden Rd	CEX Franchising Ltd	Retail	972	516	456	16-Oct-15	15-Oct-25	15-Oct-25	15-Oct-20	£32,500	£61	£65	£34,680	
2a Camden Rd	Coral	Retail	1,235	481	765	18-Jan-14	17-Jan-24	17-Jan-19	17-Jan-19	£26,500	£51	£65	£33,178	
4 Camden Rd	Children's Trust	Retail	1,289	518	672	26-Apr-10	25-Apr-20		9-May-19	£32,000	£59	£65	£35,350	
4a Camden Rd	Heart of Kent Hospice	Retail	1,252	513	518	10-May-14	9-May-24	9-May-19	9-May-19	£28,500	£53	£65	£34,640	Service charge cap of £1,670 per annum.
6 Camden Rd	Graham Webb	Retail	1,251	529	733	25-Feb-14	24-Feb-24	23-Feb-19		£25,000	£44	£65	£36,218	
6a Camden Rd	Design a head (Tunbridge Wells) Ltd	Retail	787	462	380	1-Jul-15	30-Jun-25	30-Jun-20	30-Jun-20	£23,250	£48	£65	£30,980	
6b camden Rd	Heavenly Soles	Retail	1,300	612	1,079	16-Apr-02	15-Apr-17	15-Apr-17		£35,000	£53	£65	£42,478	
3 Calverley St	Bright Young Things	Office	1,996			17-Apr-14	16-Apr-24	17-Apr-19	17-Apr-19	£25,000	£12.53	£16.00	£31,936	
Calverley House	Solutions Business Space	Office	46,559			10-Sep-07	9-Sep-22			£750,000	£16.11	£16.00	£744,944	Gross area of 66,034sq ft.
TOTAL			71,594							Retail Income £430,510		Retail ERV	£490,125	
										Total £1,205,510		Total ERV	£1,267,005	

TENURE

The property is held freehold.

PLANNING

The property is under the authority of Tunbridge Wells Borough Council; all planning queries should be directed to the council.

EPCs

The EPC ratings are as per the table below:

Calverley House Offices	E-122
53a Calverley Road	D-97
53b Calverley Road	C-72
55a Calverley Road	C-70
2 Camden Road	G-162
2a Camden Road	D-90
4 Camden Road	D-77
4a Camden Road	F-144
6 Camden Road	E-117
6a Camden Road	E-117
6b Camden Road	C-51
3 Calverley Street	C-55

Copies of the EPCs are available upon request.



VAT

We understand that the property is elected for VAT and it is anticipated that the sale will be treated as a Transfer of Going Concern.

PROPOSAL

We are instructed to seek offers in excess of **£18,000,000 (Eighteen Million Pounds)**, exclusive of VAT, for the freehold interest in this property. Applying purchaser's costs of 6.74%, a purchase at this level assumes:

- **£5,760,000 on the retail** element reflecting a **NIY of 7.00%** and a **RY of 7.97%**.
- **£10,100,000 on Calverley House** offices. This reflects a **NIY of 7.23%** and a **capital value of £153 psf on the GIA**.
- **£390,000 on 3 Calverley Street** reflecting a NIY of 6.01% and a capital value of £195psf.
- **£1,750,000 on the car park**, reflecting the underlying development value.

DATA ROOM

The data room can be accessed at **www.calverley-house.com**.



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