



# GROVE HOUSE

GUILDFORD ROAD LEATHERHEAD KT22 9DF

**SOUTH EAST TOWN CENTRE  
OFFICE INVESTMENT OPPORTUNITY**



**Kimmre**



## EXECUTIVE SUMMARY

- Grove House offers an opportunity to acquire a **Grade A office investment** in Leatherhead town centre, with **active asset management potential**.
- Leatherhead is an established M25 South West office centre, home to a thriving business community and affluent population with excellent access to Central London.
- The town is currently undergoing a **£350m transformation** to sustainably upgrade public realm, promote activity and enhance gateways to the town centre.
- Grove House is a high quality building which was comprehensively refurbished in 2015 at a total cost of **£1.56 million**.
- **18,282 sq ft** of Grade A office accommodation over ground and two upper floors.
- Excellent town centre car parking ratio of **1:257 sq ft**.
- Freehold site totalling **0.89 acres**.
- **Fully let to 3 tenants** with a total passing rent of **£509,641 per annum** equating to a rent of **£27.88 per sq ft** overall.
- WAULT of **4.5 years to lease expiries** and **2.8 years to break**.
- Prime headline office rents in Leatherhead have increased to £31.50 per sq ft, providing strong future reversion.

## PROPOSAL

OFFERS ARE SOUGHT IN EXCESS OF **£5,300,000 (FIVE MILLION THREE HUNDRED THOUSAND POUNDS)** SUBJECT TO CONTRACT AND EXCLUSIVE OF VAT.

A PURCHASE AT THIS PRICE REFLECTS A **NET INITIAL YIELD OF 9.00%** AND A CAPITAL VALUE OF **£290 PER SQ FT** AFTER ALLOWING FOR PURCHASER'S COSTS AT 6.71%.







LOCATION

Leatherhead is an affluent commuter town within an attractive part of Surrey, situated approximately 18 miles south west of Central London. The town is a popular location for both national and international corporations fuelled by its strong transport connectivity, highly skilled labour pool and excellent working environment. Major occupiers located in the town include ExxonMobil, CGI, Zoetis, Hyundai and Aviva.



CONNECTIVITY



ROAD

The town is situated close to the A24, which provides direct access to Central London. The A24 also links to the A3, which runs from London to Portsmouth, and the M23, which provides access to Gatwick Airport and the south coast of England. Leatherhead is in close proximity to the M25 motorway, which is the orbital motorway around London and one of the busiest motorways in the UK. The M25 provides easy access to the rest of the UK's road network including the M4, M40 and M1.

Road	Travel Time
A243	3 minutes
A24	4 minutes
M25 (J9)	4 minutes



RAIL

Leatherhead train station is an 8-minute walk from Grove House and provides regular services to Central London, Guildford and the wider South East.

Rail	Travel Time
Epsom	8 minutes
Guildford	22 minutes
Wimbledon	27 minutes
Croydon	39 minutes
London Waterloo	44 minutes
Battersea	49 minutes
London Victoria	50 minutes



AIR

The town is located near several international airports including London Heathrow, which is the second busiest airport in the world, serving over 58 million passengers each year.

Air	Travel Time
London Gatwick Airport	26 minutes
London Heathrow Airport	28 minutes
London City Airport	1hr 13 minutes



## WHY LEATHERHEAD?

A SERIES OF KEY PROJECTS HAVE BEEN PROPOSED TO SUSTAINABLY UPGRADE PUBLIC REALM, ENHANCE ACTIVITY, PROMOTE FOOTFALL AND IMPROVE GATEWAYS TO THE TOWN.



## SITUATION

Grove House is prominently positioned on Guildford Road in Leatherhead town centre. The property is highly accessible with Leatherhead Railway Station within an 8 minute walk. It benefits from excellent access to the town centres major retailing and leisure facilities including the Swan Shopping Centre, Nuffield Health Club and numerous food and beverage options.

1

### TRANSPORT (LEATHERHEAD HIGHWAY IMPROVEMENT & SUSTAINABLE TRANSPORT)

Several junctions, roads and one-way systems were amended to ease congestion and improve access for traffic, pedestrians and cyclists in and around Leatherhead. Demand responsive transport has been developed and deployed in November 2021 to increase accessibility to the town centre.

2

### RIVERSIDE QUARTER (CLAIRE & JAMES HOUSE)

Situated 150m from the subject property, Claire & James House is a mixed-use development scheme providing 35 residential units, café, community centre and improved car parking. Outline planning consent was granted in June 2022.

3

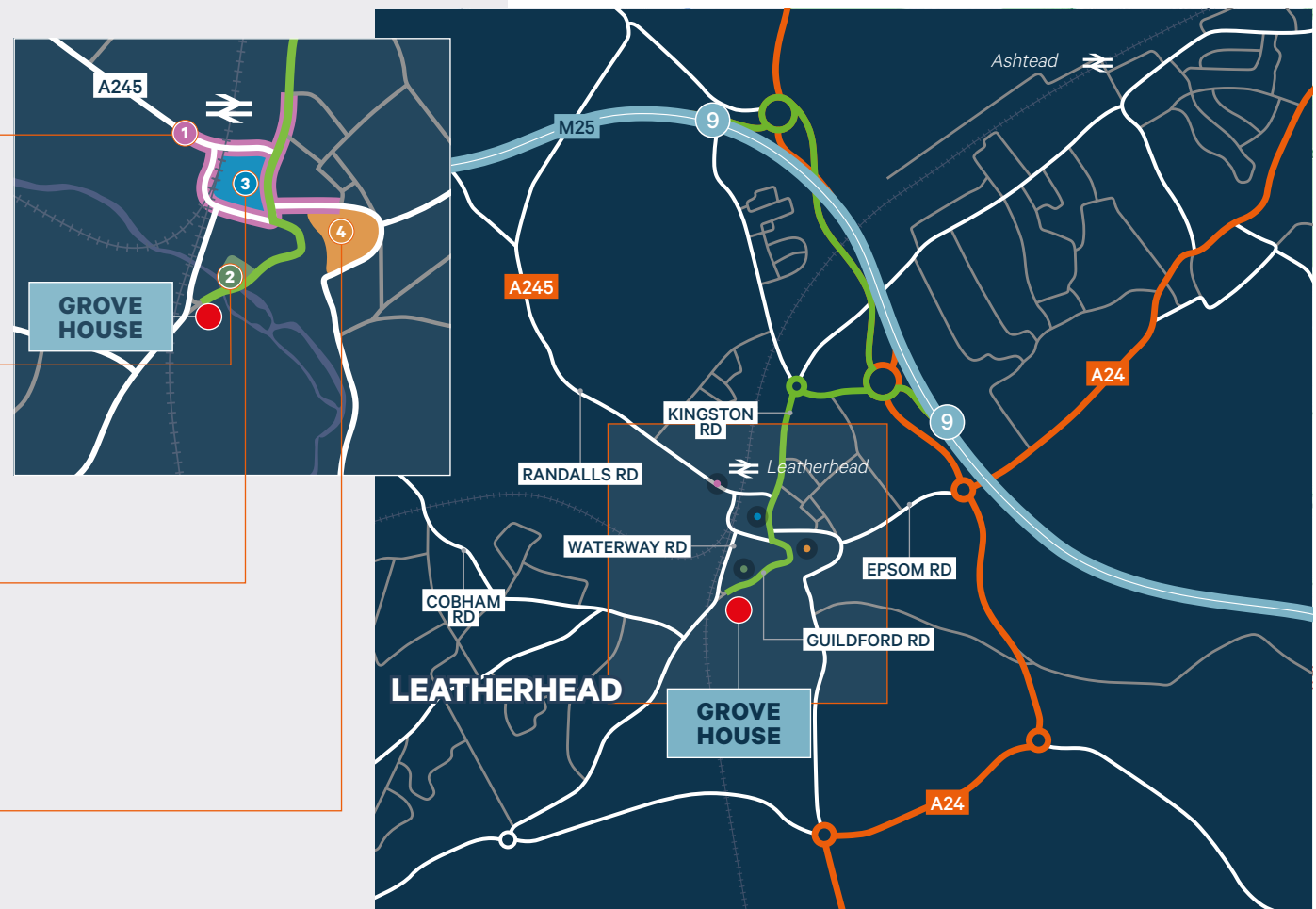
### URBAN QUARTER (BULL HILL PARK)

The journey from Leatherhead Train Station to Grove House is targeted to be greatly improved with new residential units, community space, green spaces and office space proposed as well as a multi-storey car park, improved pedestrian and cycling links to boost connectivity in and around the town.

4

### RETAIL & LEISURE QUARTER (THE SWAN SHOPPING CENTRE)

The main shopping centre is undergoing redevelopment works including the improvement of leisure facilities, flexible workspaces, 50 residential units, additional car parking and rooftop greenspace. The aim is to revitalise the retail experience and attract footfall to the town centre.





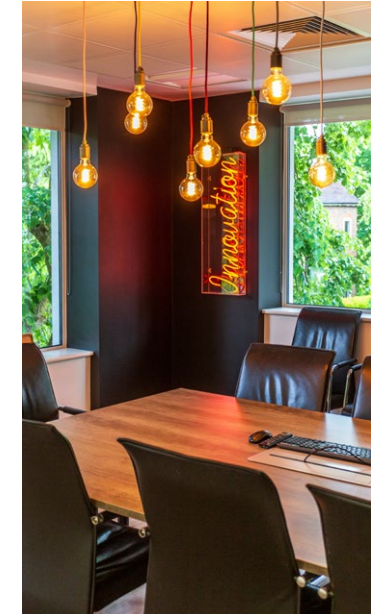
## DESCRIPTION

Grove House is a modern, self-contained office building comprising 18,266 sq ft of Grade A office accommodation over ground and two upper floors. The property boasts strong environmental credentials with an EPC rating of B. The office floorplates are open plan and have been fitted out to a high specification, including kitchen facilities and break-out spaces. The property also features a range of amenities, including shower rooms, lockers and secure cycle storage.

The property was comprehensively refurbished in 2015 at a total cost of £1.56 million and benefits from the following high-quality specification:

- Redesigned and improved reception area
- New metal tile ceilings
- New VRF heating and cooling system
- Refurbished 8-person passenger lift and lift car finishes
- New glazing throughout
- New male and female toilets on all floors
- New LED energy lighting
- EPC rating of B

The property has a total of 71 car parking spaces equating to an excellent town centre car parking ratio of 1:257 sq ft.



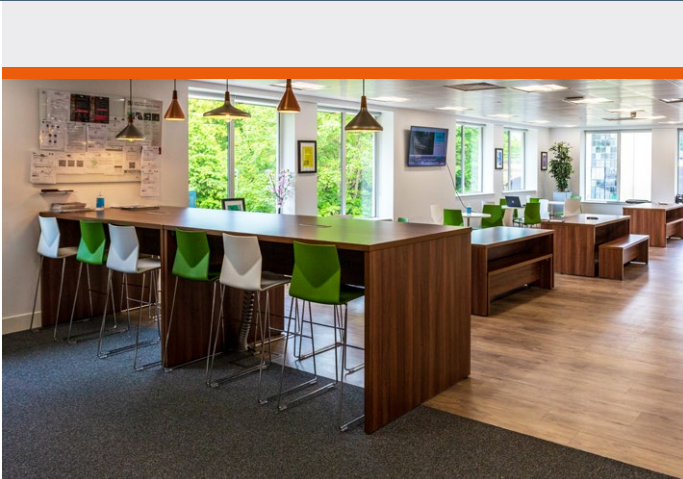


TENANCY SCHEDULE

Grove House is fully let to 3 tenants in accordance the following the tenancy schedule:

Tenant	Demise	Area (sq ft)	Lease Start	Lease End	Lease Break	Review Date	Passing Rent pa	Passing Rent psf
Jigsaw PSHE Ltd	Second Floor	4,146	07-Feb-23	06-Feb-33	06-Feb-26* 06-Feb-28*	07-Feb-28	£124,136	£29.94
HH Associates Ltd (guaranteed by HH Global Ltd)	First Floor	6,684	12-Aug-16	11-Aug-26			£181,468	£27.15
NDA Regulatory Science Ltd (guaranteed by NDA Regulatory Services AB and NDA Group AB)	Ground Floor	6,864	15-Dec-15	14-Dec-25			£204,037	£29.73
	Reception	588						
Total		18,282		4.5 years	2.8 years		£509,641	£27.88

\* Tenant only break options subject to 12 months notice and 2.5 month rent penalty on Year 3 break.  
Further 2.5 months rent free if Year 3 break not exercised and 2 months rent free if Year 5 break not exercised.



## TENANT COVENANTS

### TENANT:

#### NDA REGULATORY SCIENCE LTD (03711905)

NDA Regulatory Science Limited is a world leading regulatory, drug development and medical device consultancy. Since 2013, they have supported 40% of new medicinal products that were approved in the EU since 2013.

NDA Regulatory Science Ltd has an **Experian score of 100/100** representing a very low risk of business failure. The most recent company accounts are as follows:

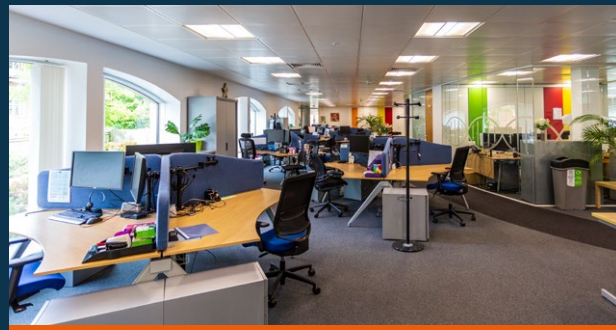
	31/12/2022	31/12/2021	31/12/2020
Turnover	-	-	-
Profit	-	-	-
Total Net Worth	£1,458,325	£1,154,732	£1,098,876

### GUARANTOR:

#### NDA REGULATORY SERVICES AB

NDA Regulatory Services AB has an Experian score of 99/100 representing a very low risk of business failure. The most recent company accounts are as follows (In SEK):

	31/12/2021	31/12/2020	21/12/2019
Turnover	2,006,000 kr	2,317,000 kr	1,732,000 kr
Profit	2,152,000 kr	2,060,000 kr	-2,532,000 kr
Total Net Worth	10,012,000 kr	8,215,000 kr	6,491,000 kr



### TENANT:

#### HH ASSOCIATES LTD (02671533)

HH Associates Limited is an international marketing firm who act as a strategic partner to leading brands to deliver content creation and outsourced procurement services. Grove House forms their UK headquarter office since relocating in the building in 2015.

HH Associates Ltd has an **Experian score of 100/100** representing a very low risk of business failure. The most recent company accounts are as follows:

	31/03/2022	31/03/2021	31/03/2020
Turnover	£116,933,000	£107,029,000	£91,636,000
Profit	£31,146,000	£29,497,000	£28,039,000
Total Net Worth	£10,061,000	£11,229,000	£7,837,000

### GUARANTOR:

#### HH GLOBAL LIMITED

HH Global has an Experian score of 99/100 representing a very low risk of business failure. The most recent company accounts are as follows:

	31/03/2022	31/03/2021	31/03/2020
Turnover	-	-	-
Profit	£281,117,000	-£873,000	-£194,000
Total Net Worth	£352,496,000	£74,483,000	-£11,180,000



### TENANT:

#### JIGSAW PSHE LTD (08568182)

Jigsaw PSHE Ltd provides teaching resources to enable teachers to deliver a Personal, Social Health and Well-being education to 2.5 million children. Jigsaw PSHE launched in 2013 and rapidly grew to being used in 622 schools in the UK and 13 international schools by 2017. Today, the group now works with over 7,000 schools across the UK and internationally. The company has been a long-term occupier in Leatherhead, with Grove House forming their UK headquarter office.

Jigsaw PSHE Ltd has an **Experian score of 82/100** representing a low risk of business failure. The most recent company accounts are as follows:

	30/06/2022	30/06/2021	30/06/2020
Turnover	-	-	-
Profit	-	-	-
Total Net Worth	£1,815,612	£2,098,200	£1,484,837



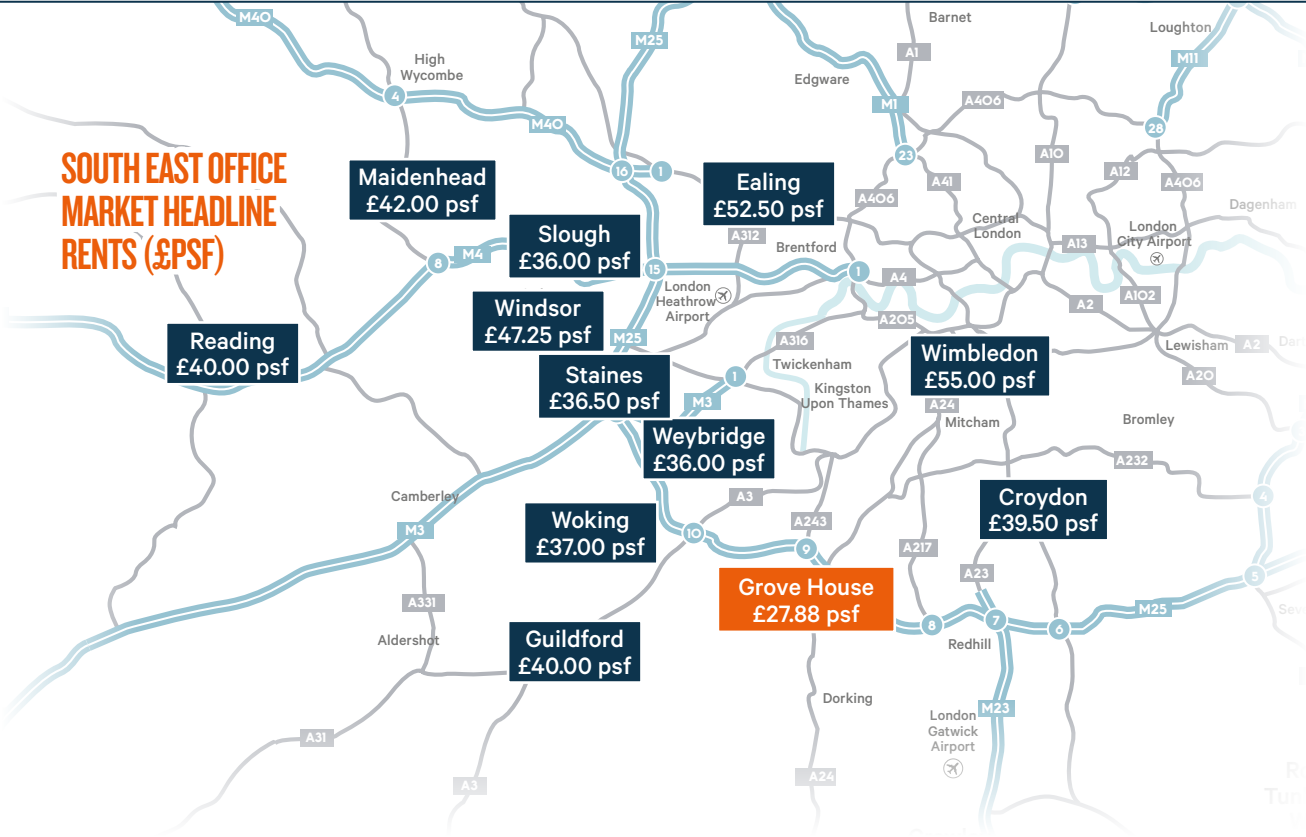


OCCUPATIONAL MARKET OVERVIEW

Leatherhead is an established part of the South West M25 office market. The town benefits from its close proximity to the national motorway network and excellent rail links into Central London. This paired with its access to a skilled labour pool has attracted over 1,000 businesses including several high profile occupiers such as Vaseline, Hyundai and Sungard.

The town remains popular with occupiers by offering space of similar quality but at a discount to competing markets such as Guildford, Reading and Maidenhead. The continued reduction in availability and improvement in take-up levels has fuelled rental growth in Leatherhead with prime rents now standing at £31.50 per sq ft.

Date	Property	Tenant	Size (sq ft)	Rent (PSF)
Jan-23	Grove House	Jigsaw PSHE Ltd	4,146	£27.88
Sep-22	The Square, Randalls Way	Marsh Corporate Services	9,216	£31.50
Aug-22	The Arc	Taylor Wimpey	8,415	£27.50
Apr-22	Russell House	DLT Media	2,475	£29.50
Mar-22	The Square, Randalls Way	Undisclosed	9,255	£31.50
Nov-21	Brunswick House	Androv Ltd	2,224	£28.50



THERE IS A SEVERE LACK OF DEVELOPMENT IN THE PIPELINE REINFORCING PRIME RENTS AND CONTINUING TO ENCOURAGE GROWTH.



THE SOUTH EAST OFFICE INVESTMENT MARKET SAW TRANSACTIONS WORTH £850M IN THE FINAL QUARTER OF THE 2022, TAKING TOTAL INVESTMENT VOLUMES TO JUST OVER £3.0 BILLION.



## SOUTH EAST INVESTMENT OVERVIEW

Whilst the market continues to face challenges in the opening months of the year, investors are now targeting assets that offer the fundamentals of high quality office accommodation, connectivity and amenity provision such that Grove House provides.

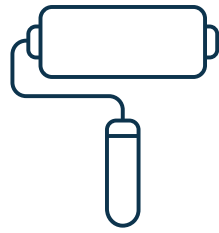
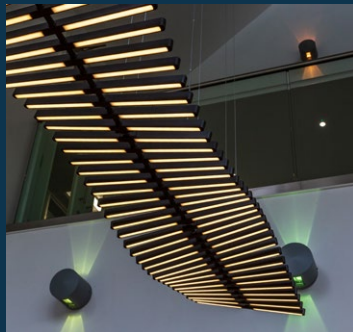
The table to the right highlights the most relevant investment transactions in the South East market.

Sold Date	Address	Town	Area (sq ft)	Tenant(s)	Rent (PSF)	WAULT (Term Certain)	Purchase Price	NIY	Cap VAL PSF	Purchaser
U/O	Andrew's House	Guildford	14,002	Multi-let	£29.66	2.9	£5,300,000	7.50%	£379	Under Offer
May-23	65 Woodbridge Road	Guildford	30,769	Multi-let	£35.98	5.7	£13,100,000	7.85%	£423	Private Investor
Dec-22	Water Lane	Richmond	19,824	Vacant	-	-	£6,500,000	N/A	£328	10SJP
Nov-22	65 High Street	Egham	11,569	Multi-let	£21.11	4.4	£4,360,000	8.00%	£377	Private Investor
Nov-22	Kirkgate	Epsom	26,109	Multi-let	£28.50	2.5	£7,725,000	7.25%	£291	Oryx
Oct-22	3 Dorking Business Park	Dorking	7,526	Cala Homes	£26.00	5.0	£2,380,000	7.50%	£316	Private Investor
Sep-22	2-6 William Street	Windsor	12,977	Multi-let	£31.30	5.0	£5,800,000	7.48%	£446	MNK Partners
Aug-22	Bishops Wharf	Guildford	16,045	Multi-let	£35.20	5.4	£7,550,000	6.75%	£471	Martins Properties
Aug-22	Wallace House	Welwyn Garden City	31,375	Multi-let	£19.45	6.0	£7,100,000	8.00%	£228	Private Investor
Aug-22	Hays House	Guildford	18,250	Multi-let	£32.03	3.4	£7,875,000	7.71%	£427	Boundary Real Estate Partners
Jul-22	Manhattan Building	Crawley	27,300	Multi-let	£24.00	3.7	£7,980,000	7.75%	£293	DBM Limited

## INVESTMENT RATIONALE

### WARRANT

100% income  
secured against  
'Low Risk' tenants



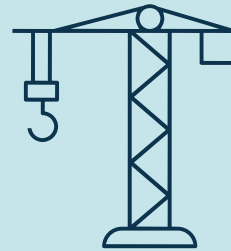
### REFURBISHMENT

Comprehensively  
refurbished in  
2015 at a total  
cost of £1.56m



### TOWN CENTRE LOCATION

Town centre location  
set to benefit from  
£350m of regeneration



### REDEVELOPMENT

Opportunity to  
explore long-term  
redevelopment potential,  
subject to planning



### OFFICE MARKET

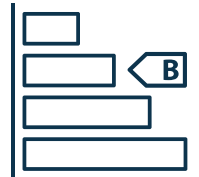


Shortage of good  
quality Grade A office  
stock in Leatherhead



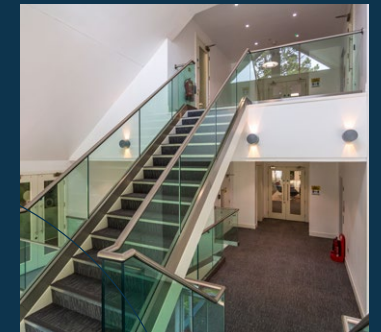
### INCOME SECURITY

100% of income  
secured against  
'low risk' covenants



### ESG

Excellent ESG  
credentials (EPC - B)



### CAR PARKING

Rare town centre car  
parking ratio (1:257 sq ft)

## VAT

The property has been elected for VAT purpose and will be treated as a transfer of a going concern (TOGC).

## EPC

EPC rating - B (30)  
A copy of the full Energy Performance Certificate is available within the data room.

## DATA ROOM

Data room access is available on request. Please contact the representatives of Kimmre for access.

## ANTI-MONEY LAUNDERING

In accordance with UK legislation, the purchaser will be required to comply with AML requirements and satisfy the vendor accordingly.

## CONTACT

For further information please contact:

### MAX CLYNES

[max.clynesh@kimmre.com](mailto:max.clynesh@kimmre.com)

07746 984 112

### HARRIETT CUNDY

[harriett.cundy@kimmre.com](mailto:harriett.cundy@kimmre.com)

07469 895 695

# Kimmre

[www.kimmre.com](http://www.kimmre.com)

#### MISREPRESENTATION ACT 1967

Kimmeridge Real Estate Ltd on its own behalf and for vendors or lessors of this property, whose agent it is, gives notice that: 1. The particulars are produced in good faith, but are a general guide only and do not constitute any part of a contract. 2. No person in the employment of the agent(s) has any authority to make or give any representation or warranty whatsoever in relation to this property. 3. The property is offered subject to contract and unless otherwise stated all rents are quoted exclusive of VAT. 4. Nothing in these particulars should be deemed a statement that the property is in good condition, or that any services or facilities are in working order. 5. Unless otherwise stated, no investigations have been made regarding pollution, or potential land, air or water contamination. Interested parties are advised to carry out their own investigations if required. Publication Date: June 2023. [carve-design.co.uk](http://carve-design.co.uk) 16033/15

## PROPOSAL

OFFERS ARE SOUGHT IN EXCESS OF **£5,300,000 (FIVE MILLION THREE HUNDRED THOUSAND POUNDS)** SUBJECT TO CONTRACT AND EXCLUSIVE OF VAT.

A PURCHASE AT THIS PRICE REFLECTS A **NET INITIAL YIELD OF 9.00%** AND A CAPITAL VALUE OF **£290 PER SQ FT** AFTER ALLOWING FOR PURCHASER'S COSTS AT 6.71%.