



41-47 HARTFIELD ROAD
WIMBLEDON
LONDON SW19 3RQ

HIGH YIELDING MULTI-LET TOWN CENTRE
OFFICE WITH SIGNIFICANT REFURBISHMENT/
REDEVELOPMENT POTENTIAL.

**LEWIS
& CO**


GERALDEVE
A NEWMARK COMPANY



INVESTMENT SUMMARY

Wimbledon is regarded as a **highly sought after and affluent South West London Town**, firmly established as a **strong performing Greater London office sub-market**.

The property is a **prominent mixed-use property** comprising a c. **0.57-acre island site** situated within the **heart of Wimbledon Town Centre**, benefiting from **excellent transport connections** and **extensive amenity offering**.

Freehold. The demise includes a **multi-let office** and the adjacent **Lygon Court** (8 residential flats) and **Regency Court** (27 residential flats). The residential element has been sold off long leasehold providing an **annual ground rent of £5,975 per annum**.

The office is arranged over basement, ground and four upper floors extending to **25,104 sq ft NIA** with **secure underground car parking for 11 vehicles**.

Fourth Floor outdoor terrace. Each floor benefits from **excellent natural light** with **flexible open plan floorplates**.

The office is **multi-let to four tenants** with **75% of the contracted income considered 'Low Risk'** (creditsafe).

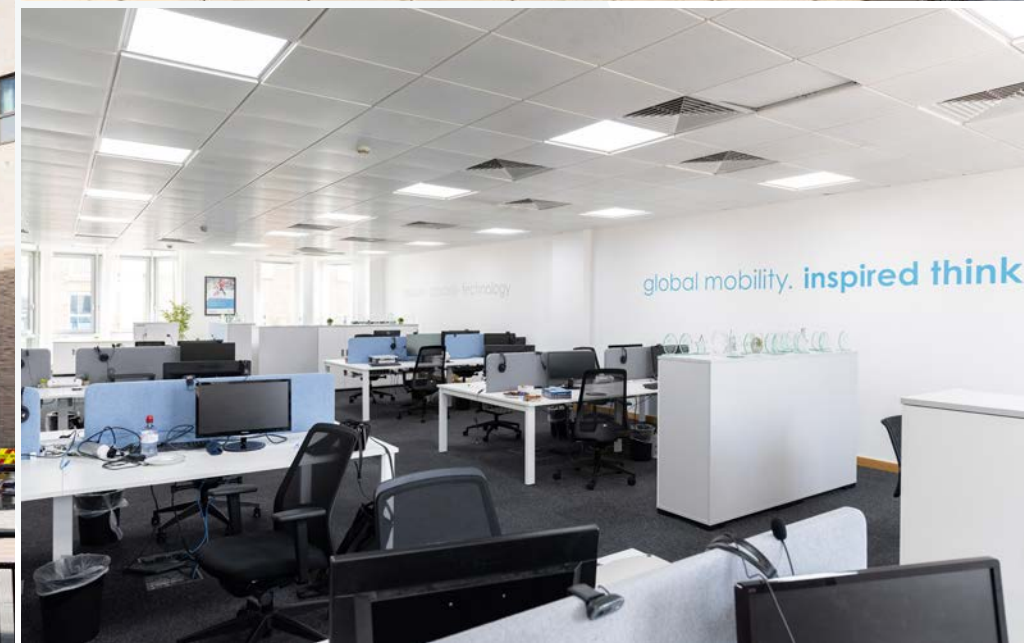
The office has a WAULT of **1.61 years to break** and **2.27 years to expiry**.

The office passing rent, including rental guarantees totals **£1,019,573 per annum**, equating to a very **low average passing rent** of only **£40.61 per sq ft**.

Total rent (including residential ground rent) of **£1,025,547.50 per annum**.

PROPOSAL

We are instructed to seek offers in excess of **£9,610,000 (Nine Million Six Hundred and Ten Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects an attractive **Net Initial Yield of 10.00%**, assuming purchasers costs of 6.70%, and a low capital value of **£383 per sq ft**.



ASSET MANAGEMENT OPPORTUNITIES

Numerous options to enhance performance through attractive asset management initiatives:

- HoT's agreed with AIRES for a 5-year lease extension.
- Outstanding rent review on SoftwareOne UK Ltd.
- 12% vacancy provides immediate asset management opportunities.
- Very low average passing rent of £40.37 psf on the contracted rent vs £44.76 psf agreed with AIRES and prime Wimbledon headline rents of £57.50 psf.
- Opportunity to renegotiate break options to extend the WAULT.

- Undertake rolling refurbishments to drive the headline rental tone forward.
- Potential for vacant possession to be achieved in 2025/2026 to allow for a comprehensive refurbishment/ redevelopment.
- Optimal floorplates for active occupational requirements with flexibility to split.
- Opportunity for future lease extensions to be agreed for the residential accommodation.

- Options to enhance the specification to a fully fitted concept to provide modern, contemporary office space.
- Explore massing options and redevelopment to alternative uses.*
- Expired planning permission for a 4th floor rooftop extension.
- Indicative massing study shows potential for 9 new build flats above the commercial.*
- Indicative massing study shows potential for an upward office extension comprising circa 9,623 sq ft.*

*Subject to planning permission and purchaser due diligence.





LOCATION

Wimbledon is a core Greater London location and one of the most highly sought-after occupational sub-markets in South West London.

Wimbledon is ideally placed for business, being the main transport hub for South West London making it easily accessible to Central London but also within striking distance of London suburbs. It has an extensive and diverse leisure offer including high end restaurants, independent shops, recognised brands and cultural events including the world-renowned Wimbledon Tennis Championships. Centre Court shopping centre is also undergoing a complete refurbishment with new occupiers including Third Space Gym and the Golf Groove.

LOCAL OCCUPIERS





41-47 Hartfield Road is located in the heart of Wimbledon Town Centre, easily accessible from all directions, via many modes of transport.

Wimbledon station is within a 4 minute walk from the property and provides express mainline services, underground services (District line) and tram services.



DRIVING DISTANCE (MILES)

A3	0.3 miles
THE SOUTH CIRCULAR	3 miles
HEATHROW AIRPORT	13 miles
M25	14 miles



FASTEST TRANSPORT TIMES (MINUTES)

VAUXHALL		12 minutes
EARLS COURT		17 minutes
WATERLOO		17 minutes
CROYDON		30 minutes
RICHMOND		35 minutes





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SITUATION

The property is situated on the southern side of Hartfield Road, adjacent to Graham Road (to the west) and Herbert Road (to the east). 41-47 Hartfield Road sits between two residential apartment buildings (Regency Court and Lygon Court). 41-47 Hartfield Road is accessed via Hartfield Road, with the underground car parking accessed via Graham Road. The site lies within Wimbledon Town Centre which is predominantly made up of retail, leisure and office uses. The area to the south/south east is predominantly residential. The site is not located in a Conservation Area and is not listed.

TENURE

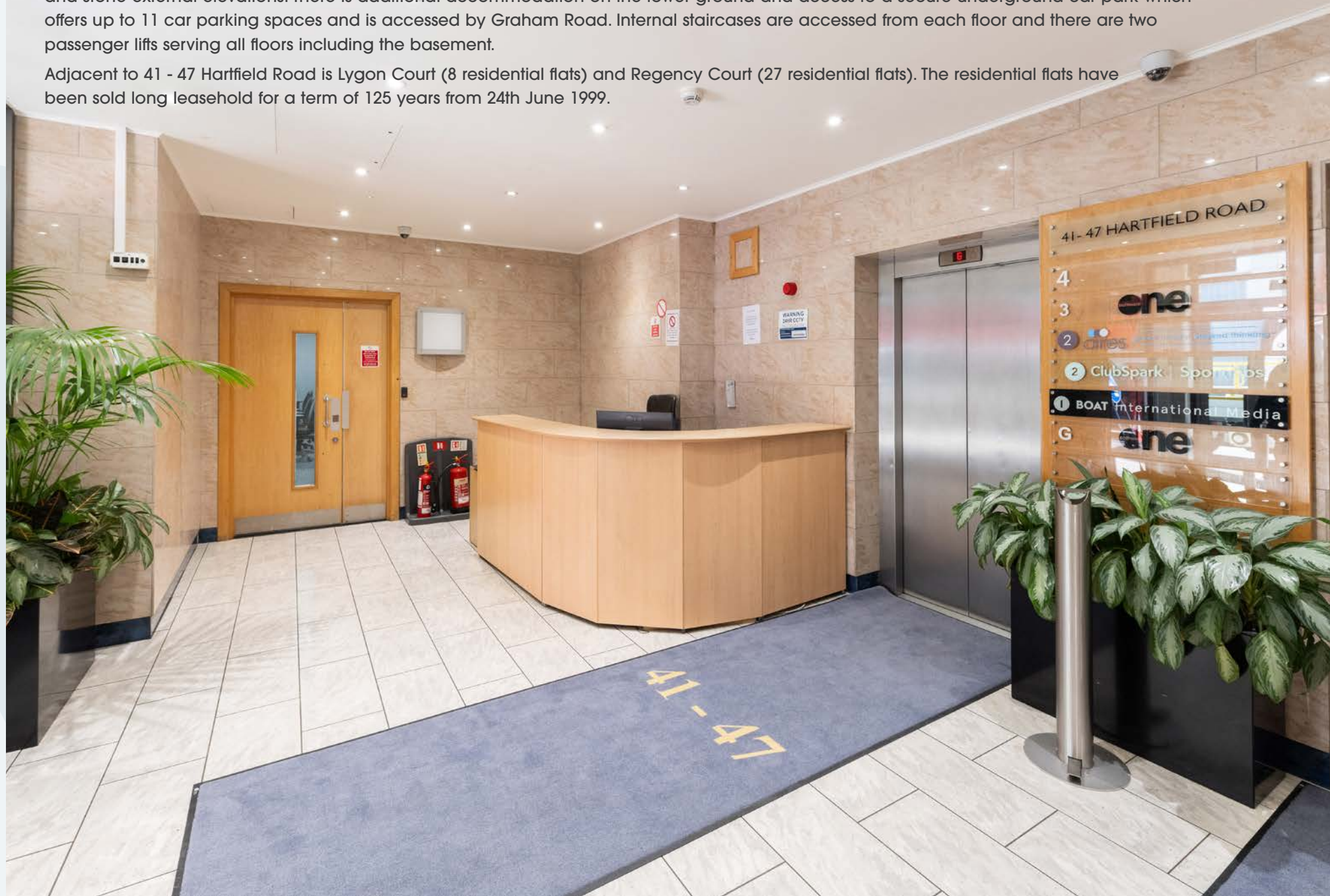
Freehold.

HIGH YIELDING MULTI-LET TOWN CENTRE OFFICE WITH SIGNIFICANT REFRUBISHMENT/REDEVELOPMENT POTENTIAL.

DESCRIPTION

41-47 Hartfield Road is a modern prominent multi-let office building which provides office space extending to 25,104 sq ft across five floors with brick and stone external elevations. There is additional accommodation on the lower ground and access to a secure underground car park which offers up to 11 car parking spaces and is accessed by Graham Road. Internal staircases are accessed from each floor and there are two passenger lifts serving all floors including the basement.

Adjacent to 41 - 47 Hartfield Road is Lygon Court (8 residential flats) and Regency Court (27 residential flats). The residential flats have been sold long leasehold for a term of 125 years from 24th June 1999.



ACCOMMODATION SCHEDULE

Armada Surveys Ltd have undertaken an assignable measured survey of the office accommodation. We have summarised the areas below:

Unit	NIA (sq m)	NIA (sq ft)	IPMS 3 (sq ft)
4th Floor	195.32	2,102	2,182
3rd Floor	503.42	5,419	5,558
2nd Floor	512.64	5,518	5,675
1st Floor	527.63	5,679	5,823
Ground Floor	464.76	5,003	5,159
Basement	128.49	1,383	1,413
Total	2,332.26	25,104	25,810

The property has been measured in accordance with The Code of Measuring Practice (6th Edition, 2007) and IPMS - Office as set out in the IPMS Standards, RICS Property Measurement (2nd Edition 2018).

THE OFFICE SPECIFICATION

Includes:



FULLY ACCESSED
RAISED FLOORS



SUSPENDED
CEILINGS



AIR
CONDITIONING



PRIVATE BALCONIES
/ ROOF TERRACE



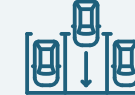
LIFT X2



SHOWER FACILITIES



WCs



11 BASEMENT
CAR PARKING SPACES



BIKE
STORAGE


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Travelodge


WIMBLEDON
STATION

WIMBLEDON
HIGH STREET

Centre
Court
Shopping

ODEON

THE
BROADWAY

Nuffield
Health


Morrisons
Since 1899

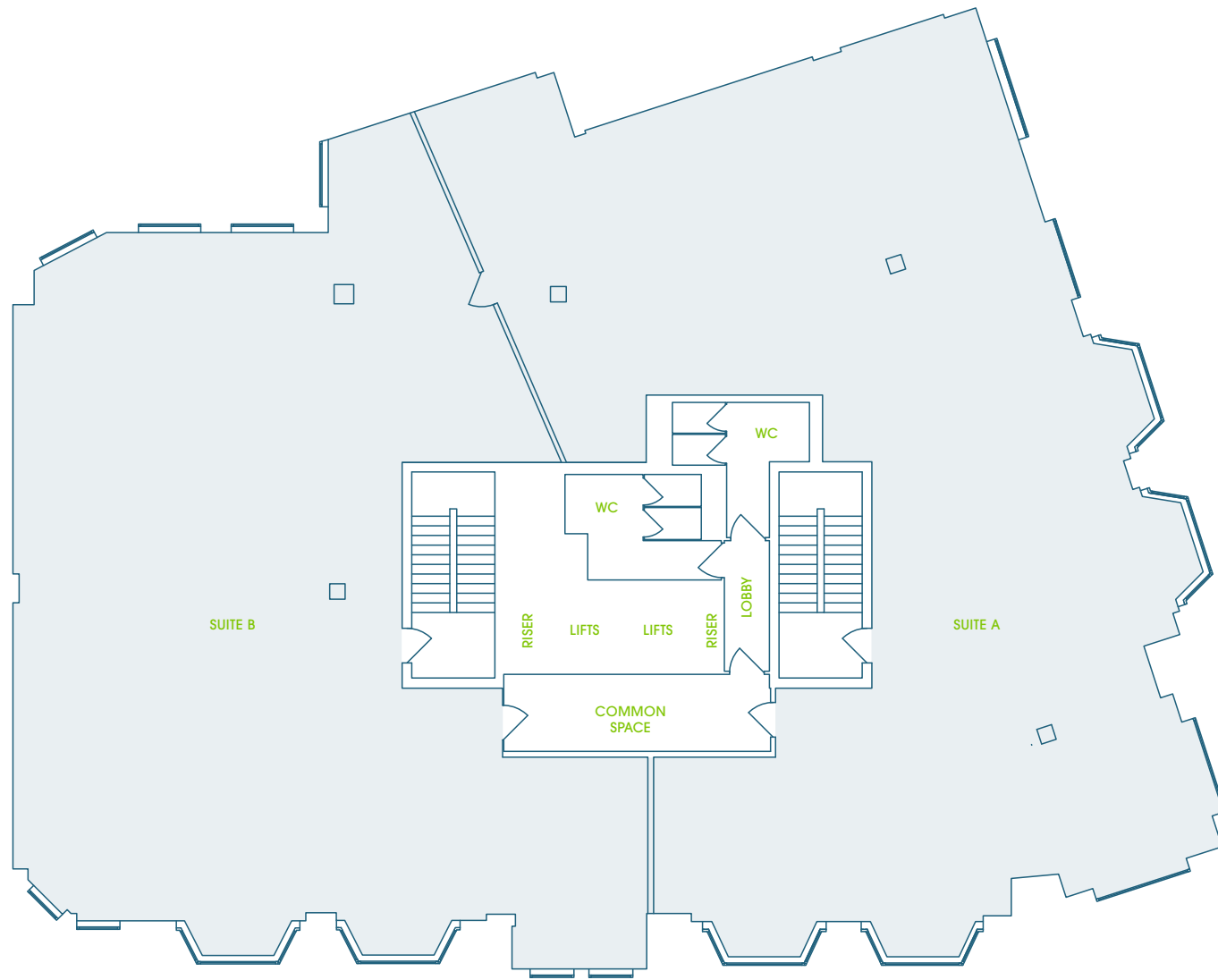

WIMBLEDON
BUS STATION



For illustrative purposes only.

HIGH YIELDING MULTI-LET TOWN CENTRE OFFICE WITH SIGNIFICANT REFURBISHMENT/REDEVELOPMENT POTENTIAL.

TYPICAL FLOORPLATES



2ND FLOOR

Not to scale. Indicative purposes only.



3RD FLOOR



TENANCY SCHEDULE

Floor	Tenant	NIA (sq ft)	Lease Start	Rent Review	Break Date	Expiry Date	Passing Rent (p.a.)	Passing Rent (psf)	Comments
Basement Office/Storage	Boat International Media Limited	1,383	29/05/2023	-	28/05/2025	28/05/2026	£2,487.50	£1.80	3 months rent free, 1 month at lease start, further 2 months in 2025. Mutual break option on 6 months notice.
1st Floor Office	Boat International Media Limited	5,679	29/05/2023	-	28/05/2025	28/05/2026	£223,000.00	£39.27	3 months rent free, 1 month at lease start, further 2 months in 2025. Mutual break option on 6 months notice.
Ground & 3rd Floor Office	SoftwareOne UK Limited	10,422	31/07/2015	31/07/2020	-	31/07/2025	£461,125.00	£44.25	
Part 2nd Floor Office	Vacant	2,914	-	-	-		£123,845.00	£42.50	Vendor to provide 12 months rent, rates & service charge guarantee.
Part 2nd Floor Office	American International Relocation Solutions UK Limited	2,604	18/09/2018	-	-	17/09/2023	£116,550.00	£44.76	HoT's agreed for a 5 year lease extension with mutual break option in year 3 at the passing rent. 3 months rent deposit to be held.
4th Floor Office	Pacific International Recruitment Limited	2,102	25/07/2023	25/07/2026	24/07/2025 & 24/07/2027	24/07/2029	£92,565.00	£44.04	6 months rent free: 2 months at the start of the lease, with further 2 months start of year 3 (if break not exercised at year 2) and final 2 months at the start of year 5 (if break not exercised at year 4).
Sub-Total		25,104					£1,019,572.50	£40.61	
							£5,975.00		
Total							£1,025,547.50		

*The residential flats have been sold long leasehold for a term of 125 years from 24th June 1999.

*The residential flats are managed by two Right to Manage (RTM) companies. Further information is available on request.






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COVENANT


American International Relocation Solutions UK Limited (Ref: 09331203)


(13% of total rent)

Creditsafe Risk Score: **62 B (Low Risk)**

American International Relocation Solutions UK Limited ('AIRES') was founded in 1981 as a freight forwarding company. Over the last 42 years the company has evolved into a global relocation company focussed on services including company and house relocations, immigration and travel, ocean/air freight logistics, carbon offset and mobility automation. AIRES operates from nine global offices with global headquarters located in Pittsburgh. The London office is run from 41 Hartfield Road, Wimbledon.

	31/12/2021	31/12/2020	31/12/2019
Turnover	n/a	n/a	n/a
Total Fixed Assets	£120,945	£145,650	£174,303
Total Current Assets	£165,174	£146,888	£146,463
Total Current Liabilities	£119,788	£216,300	£319,766
Net Worth	£166,331	£76,238	£1,000

**Information provided by Creditsafe (August 2023).*


PACIFIC Pacific International Recruitment Limited (Ref: 04669194)


(10% of total rent)

Creditsafe Risk Score: **96 A (Very Low Risk)**

Pacific International is a global executive search firm focussed on talent acquisition, assessment and selection, leadership succession, female leaders and diversity. Pacific International has 25 years of experience of partnering with global organisations and has provided talent acquisition projects to 28% of Fortune 500 and FTSE 100 companies. Pacific International operates from three offices – London (41 Hartfield Road), Dusseldorf and Philadelphia.

	31/03/2022	31/03/2021	31/03/2020
Turnover	n/a	n/a	n/a
Total Fixed Assets	£73,044	£70,713	£68,798
Total Current Assets	£2,297,447	£682,604	£868,612
Total Current Liabilities	£816,997	£211,071	£654,900
Net Worth	£1,322,850	£481,614	£281,964

**Information provided by Creditsafe (August 2023).*


Boat International Media Limited (Ref: 02650007)


(25% of total rent)

Creditsafe Risk Score: **36 C (Moderate Risk)**

Boat International publish international superyacht magazines and luxury books, provide digital media services and data to professionals within the industry, as well as organise 10 annual events. Boat International publish over 1.2 million magazines each year that sell in 60 countries. The head office is located at 41 Hartfield Road with the second office located in Fort Lauderdale, US.

	31/12/2021	31/12/2020	31/12/2019
Turnover	£8,351,364	£8,449,613	£12,584,561
Total Fixed Assets	£2,175,824	£578,591	£523,733
Total Current Assets	£4,039,486	£5,922,432	£6,925,097
Total Current Liabilities	£4,857,158	£4,675,446	£5,220,866
Net Worth	-£1,040,687	-£471,747	£61,249

**Information provided by Creditsafe (August 2023).*


SoftwareOne UK Limited Solutions UK (Ref: 06629601)

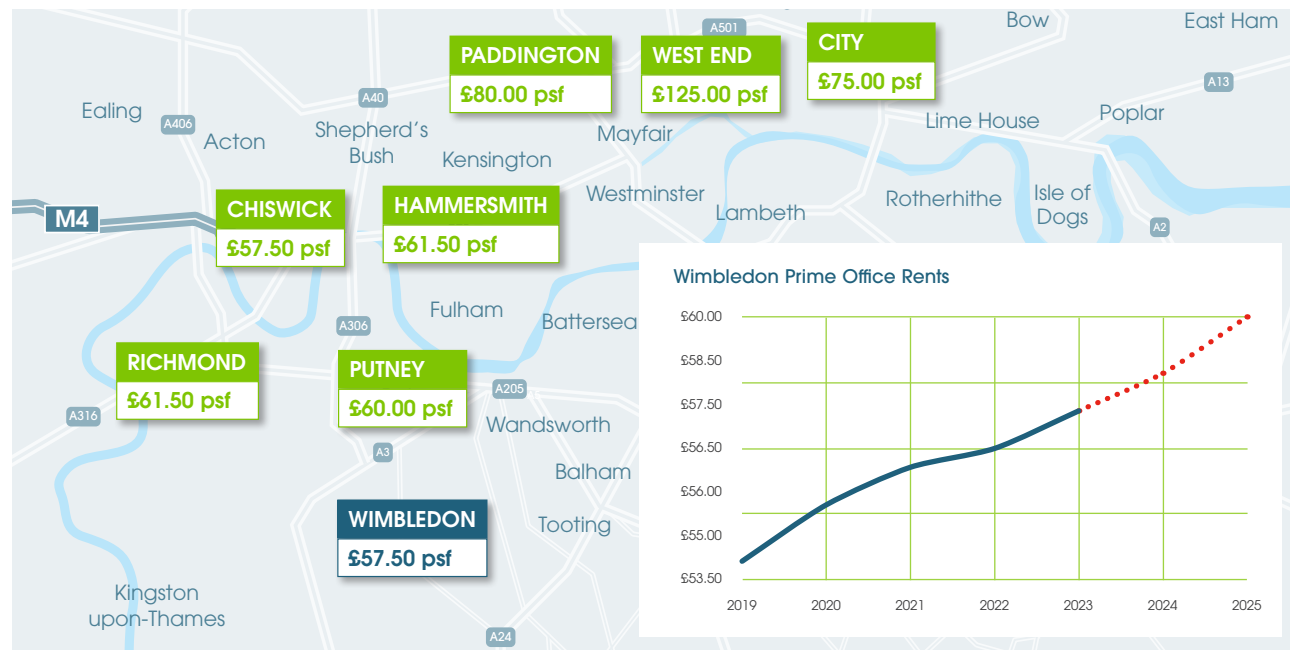
(51% of total rent)

Creditsafe Risk Score: **96 A (Very Low Risk)**

SoftwareOne is a technology services provider providing end-to-end software and cloud solutions. The company was started in 2000 and has grown to over 8,900 employees in 90 countries to support customers in more than 150 markets. SoftwareOne support IT leaders through implementation and support with their software and cloud purchases. The head office is located in Switzerland and the UK offices are located at 41 Hartfield Road and in York.

	31/12/2021	31/12/2020	31/12/2019
Turnover	£38,800,617	£39,909,053	£169,106,792
Total Fixed Assets	£2,376,782	£2,958,094	£2,471,319
Total Current Assets	£131,054,498	£119,427,547	£60,876,936
Total Current Liabilities	£106,458,735	£100,670,874	£50,878,514
Net Worth	£25,392,319	£19,588,000	£10,531,988

**Information provided by Creditsafe (August 2023).*



OCCUPATIONAL MARKET

Wimbledon is a key centre within the South West and West London office market, with strong occupational demand from corporate occupiers. Rental growth is consistent with Richmond, Hammersmith and Chiswick with further growth anticipated. The Wimbledon office sector is focused on media, technology, and financial services. Ryman, Close Brothers, Capsticks, HBD Software are represented. Kindred & Coty are also major employers in the borough, with significant UK headquarters.

The Wimbledon office market has been more robust than many other key towns with only a limited amount of stock available. The market has been undersupplied, with this driving up prime rents and shortening void

periods and incentives. The majority of available space is refurbished 1980's stock with very limited Grade A availability.

The supply/demand imbalance has led to rents rising and prime office rents having grown consistently year on year. Given the lack of stock, the limited development pipeline and the discount compared to Central London, strong rental growth is anticipated to continue.

Wimbledon has had very little in the way of office development. Occupier demand has remained stable and where there have been new office developments in the West & South West London market, significant rental growth has been demonstrated.

Date	Property	Size (sq ft)	Tenant	Rent (psf)
Feb 2023	Swan Court	3,729	Kervan Gida UK	£52.00
Assignment until Sept 2025	22 Worples Road	3,895	Performance 54	£55.00
Nov 2022	120 The Broadway	12,594	Flight Centre	£56.00
Sept 2021	22 Worples Road	7,251	ATP Media Operations	£56.00
July 2020	22 Worples Road	12,626	HPD Software	£55.00
Dec 2019	22 Worples Road	7,793	Fortius	£49.00
Aug 2019	Wellington House, 60/68 Wimbledon Hill Road	26,407	Intelliflo	£52.24

INVESTMENT MARKET

The South East Office market recorded total investment volumes of £328 million for Q2 2023, which despite being lower than the previous quarter it represented a 24% increase in the number of transactions, highlighting the improving liquidity of smaller lot sizes of sub £10m. A notable trend has been the renewed focus by investors for value-add offices where there are options to create a leading ESG-compliant asset or pursue change of use angles. Investor sentiment will welcome the increase in occupier requirements targeting best in class stock to promote a return to the office. As a result, we anticipate continued rental growth for Grade A stock in prime locations and affluent London villages such as Wimbledon, driven by a flight to quality and demand for smaller and flexible suites.

The Wimbledon office market is firmly established as a strong performing Greater London sub-market owing to its excellent transport connections, access to an extensive talent pool and its extensive amenity offering. The office core is concentrated around the mainline station however is constrained by the scarcity of prime Grade A space. As a result, recent refurbishments at 22 Worples Road and Wellington House have let well and set the rental tone at £50psf +. Hartfield Road is uniquely positioned within the office core, offering investors an attractive opportunity to reposition to provide high quality grade A / ESG compliant office with flexible floor plates.

Date	Property	Size (sq ft)	AWUTC	Passing Rent (psf)	Price	NIY	Price (psf)	Purchaser
Available	St Georges House West, Wimbledon	81,238	3.6 yrs	£47.30	Quote £53,650,000	6.75%	£660	-
Aug-23	Mansel Court, Wimbledon	22,185	3.2 yrs	£43.44	c. £8,500,000	c. 10.50%	c. £383	Korol
Aug-23	Sovereign House, Hammersmith	13,485	1.2 yrs	£34.39	£3,845,000	7.96%	£286	Private
Jul-23	22 Market Street, Maidenhead	22,586	10.95 yrs	£33.09	£9,600,000	7.29%	£425	Soor Capital
Jun-23	Assurant House, Windsor	11,938	6 yrs	£33.42	£4,500,000	8.30%	£377	The Malins Group
Jun-23	Andrews House, Guildford	14,229	2.9 yrs	£29.66	£4,200,000	9.41%	£295	Hargreaves
Jun-23	HCL House, Romford	25,671	1.59 yrs	£21.07	£5,345,000	9.37%	£208	Private Investor
Dec-22	Staple House, Winchester	15,050	1.9 yrs	£22.92	£3,550,000	9.12%	£236	The Malins Group
Dec-22	22 Worples Road, Wimbledon	47,076	5.1 yrs	£52.87	£30,500,000	6.55%	£763	Corum
Oct-21	LUMA, Clapham	19,812	5.0 yrs	£42.50	£13,300,000	5.93%	£671	Private
Jun-21	Connect House, Wimbledon	20,575	4.7 yrs	£43.20	£14,500,000	5.74%	£704	Columbia Threadneedle

ASSET MANAGEMENT OPTIONS

Key Credentials

- Highly sought after South West London office market with an acute shortage of Grade A space.
- Proximity to extensive amenity and a 4 min walk to Wimbledon Station.
- Fourth Floor outdoor terraces. Each floor benefits from excellent natural light with flexible open plan floorplates.
- Good tenant retention. Boat has recently signed a new lease and HoT's agreed with AIRES for a 5 year lease extension.
- Low average rent of £40.37 per sq ft at a significant 30% discount to prime rents of £57.50 per sq ft.
- 75% of the contracted income considered 'Low Risk' (creditsafe).
- Optimal floorplates for active occupational requirements.
- Attractive lot size and day one returns.
- Low capital value psf in comparison to competing London submarkets.

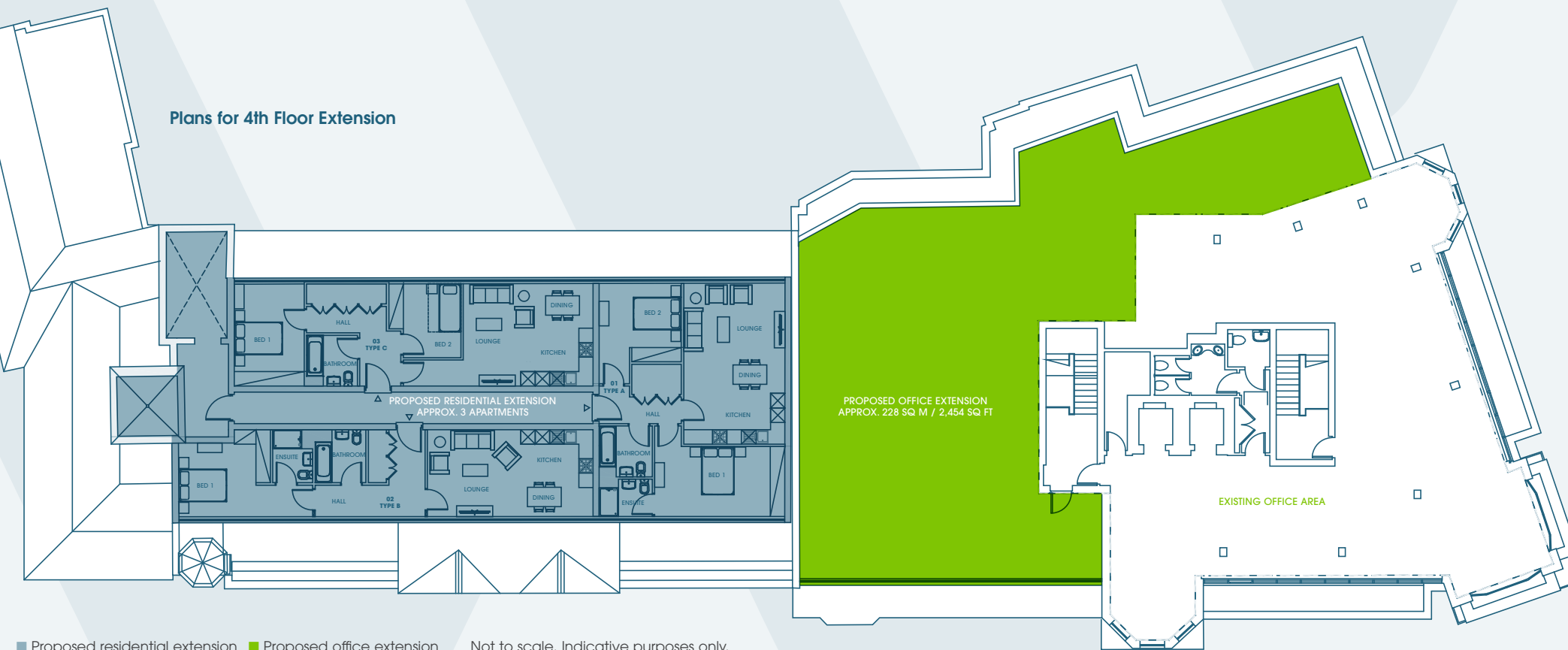
Driving Performance

- Multiple asset management initiatives to transform the onsite amenity provision and create a unique offering:
 - Rolling refurbishment or potential to achieve VP in 2025/2026 to allow for full refurbishment/reposition.
 - Create bespoke end of trip facilities in the basement.
 - Improve the ESG credentials to drive rental tone.
 - Flexibility to divide and multi-let each floor.
 - Immediate opportunity to improve income profile by letting the vacant space.
 - Options to install a fully fitted 'Plug & Play' concept to drive new headline rents.
 - Redevelop Fourth Floor flat roof to unlock potential for large communal rooftop terrace.
 - Opportunity for future lease extensions to be agreed for the residential accommodation.



CGI for the indicative residential extension plans.

Plans for 4th Floor Extension



Unlocking The Full Potential

- Options to explore massing options and redevelopment to alternative uses – subject to planning:
 - 0.57-acre island site in the heart of Wimbledon Town Centre.
 - Neighboring property (27-39 Hartfield Road) recently redeveloped to provide a new 8 storey Travelodge Hotel (ref:18/P4447).
 - Planning granted July 2019 for a fourth floor extension to create additional office floorspace (ref: 19/P2784).
 - Potential options for 3 new build flats above Regency Court.*
 - Massing studies indicate potential for an upward extension for 9 new build flats.*
 - Massing studies indicate potential for an upward office extension comprising circa 9,623 sq ft.*

*Subject to planning permission and purchaser due diligence.



SERVICE CHARGE

The total service charge budget for 29/09/2022 to 28/09/2023 is £403,400 per annum. Further information can be found in the Data Room.

FINANCING TERMS

The Gerald Eve Corporate Finance team have reviewed this opportunity and are happy to discuss financing requirements with interested parties.

If you would like to confidentially speak to our specialist debt team, please contact:

David Shaw

T: 07395 855521

E: dshaw@geraldeve.com

VAT

The property is elected for VAT. It is intended that the sale will be treated by way of a Transfer of a Going Concern (TOGC).

EPC

EPC's are available upon request and provided in the data room.

CAPITAL ALLOWANCES

Further information available upon request.

DATA ROOM

Please contact the sales team for access to the data room.

AML

In accordance with AML Regulations, the successful purchaser will be required to satisfy us on the source of the funds used to complete the transaction.

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CONTACTS

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