SUBSTANTIAL FULLY-LET TOWN CENTRE MIXED-USE INVESTMENT

8.3 YEARS UNEXPIRED

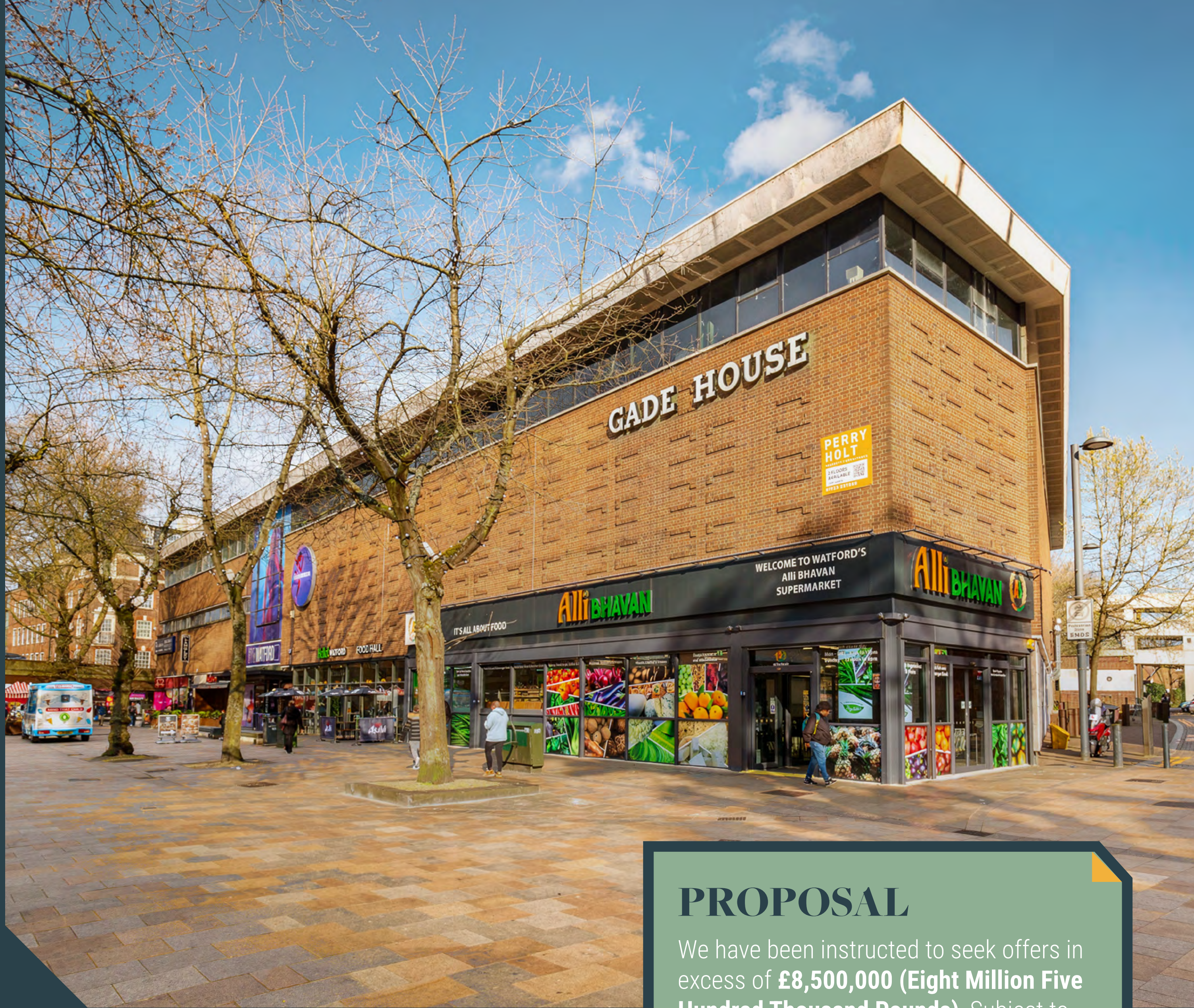
green &partners


# Gade House

38-46 THE PARADE | WATFORD

# INVESTMENT SUMMARY

- Watford is a dominant retail centre and major commercial hub located 19 miles north west of Central London and within the M25
- Fully let retail and leisure investment, prominently positioned on Watford's prime retail thoroughfare
- Substantial 102,334 sq ft mixed use block comprising four ground floor retail units, a first and second floor gym and an events space
- Fully intact upper parts provide potential for future asset management and alternative use opportunities, subject to the necessary consents
- Recent capital investment in the roof has future-proofed the asset
- Total Net Operating Income of £743,521.24 per annum
- Rack-rented
- WAULT of approximately 8.3 years to expiry and 6.3 years to break
- Large 0.82 acre site offers future development opportunity, subject to the relevant planning permissions
- Strong income diversification with no single tenant accounting for more than 20% of the total income
- Low capital value of just £83 per sq ft
- Freehold



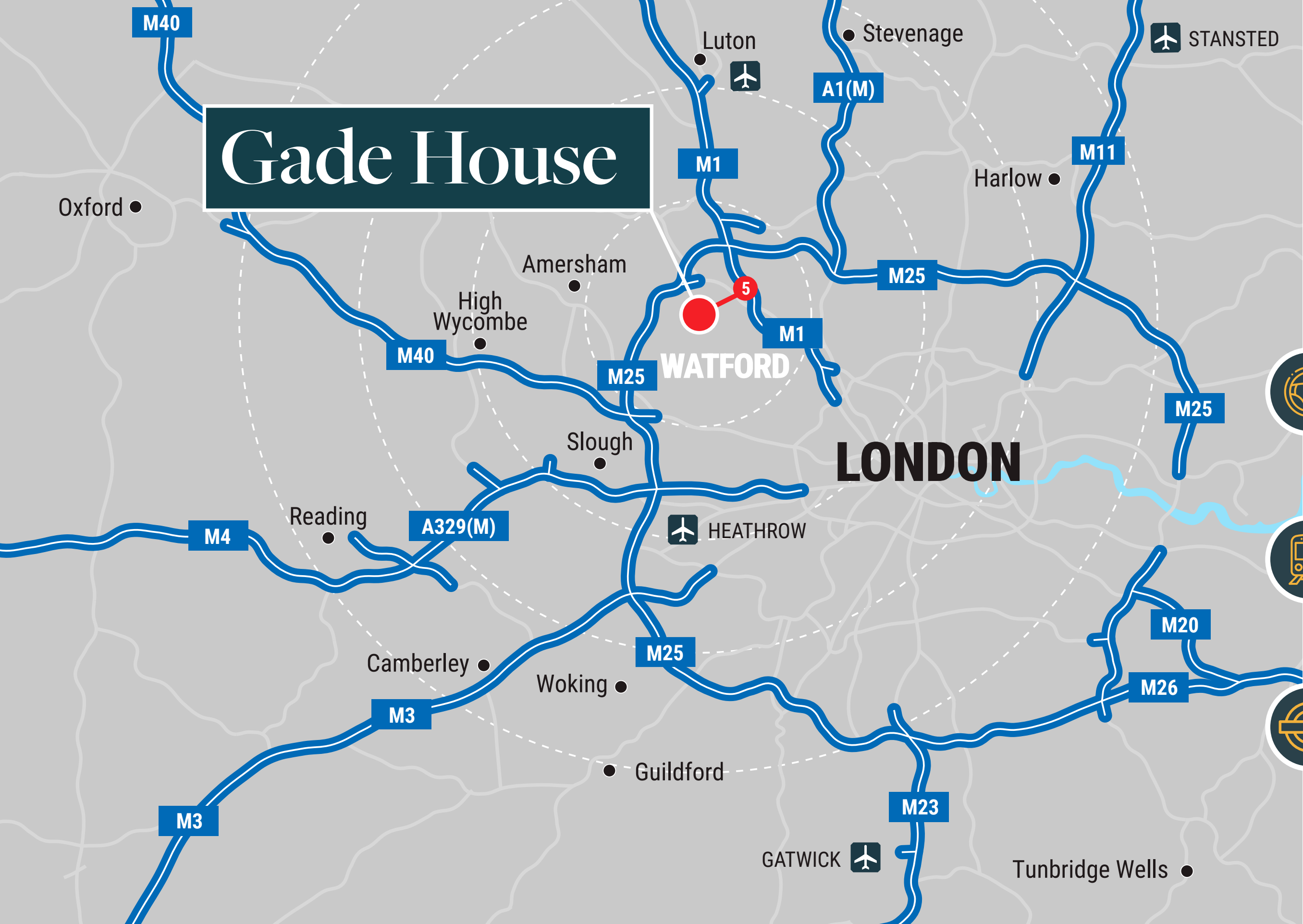

Gade House

## PROPOSAL

We have been instructed to seek offers in excess of **£8,500,000 (Eight Million Five Hundred Thousand Pounds)**, Subject to Contract & Exclusive of VAT, which reflects the following yield and capital value profile

- **Net Initial Yield: 8.20%** (allowing for graduated purchaser's costs)
- **Capital Value: £83 per sq ft**

TESCO extra
Waterfield Shopping Park
Harlequin Shopping Centre
Watford High Street
Travelodge
Leonardo Hotel
Palace Theatre
High Street
Beechen Grove
Exchange Road
Sainsbury's
The Parade
Gade House




# LOCATION

Watford is a key commercial and retail centre in Hertfordshire and part of Greater London. It sits around 19 miles northwest of Central London, approximately 6 miles south of Hemel Hempstead, 9 miles southwest of St Albans, and about 20 minutes north of Harrow.

The town benefits from excellent road connectivity. The M1 (Junctions 5 and 6) and M25 (Junctions 19 and 20) are both nearby, offering convenient access to Greater London, the Midlands, and the wider South East. In addition, the A41 dual carriageway links Watford with important surrounding locations such as Hemel Hempstead, Aylesbury, and Central London.

Rail connections are equally strong. Watford Junction station, situated just half a mile from the town centre, provides frequent direct services to London Euston with journey times of around 16 minutes. It also offers direct routes to Milton Keynes, Birmingham, and the wider West Midlands.

Watford High Street station further enhances connectivity, with Overground and Underground services into London. The Metropolitan line provides regular direct services to Baker Street (approximately 45 minutes), King's Cross St Pancras (around 55 minutes), and Liverpool Street (about 65 minutes).

# DEMOGRAPHICS & LOCAL ECONOMY

Consumer base of **244,000** people

Particularly high proportion of adults aged 25-44, which is key to supporting spending, employment and long-term growth

High proportion of affluent professionals. Above average share of AB social group residents

Car ownership, at **83.6%**, is significantly above the PROMIS average

Watford is a major employment hub, especially in the administrative and support services, finance, and professional services sectors.

Key employers in Watford include PWC, KPMG, BRE Group, Allwyn, Hilton Hotels and Asos

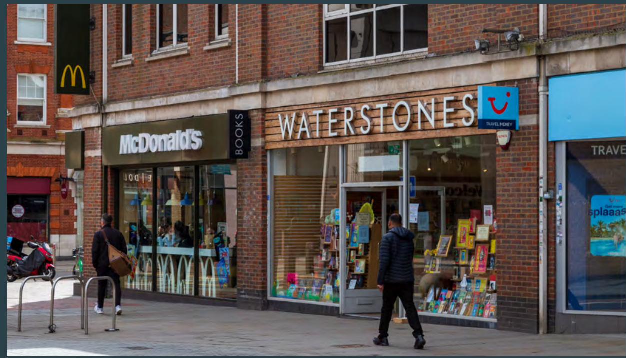
# RETAILING IN WATFORD

Watford is one of the most prominent retail destinations in the Southeast outside of Central London, benefiting from a strong mix of national occupiers and a large residential working population.

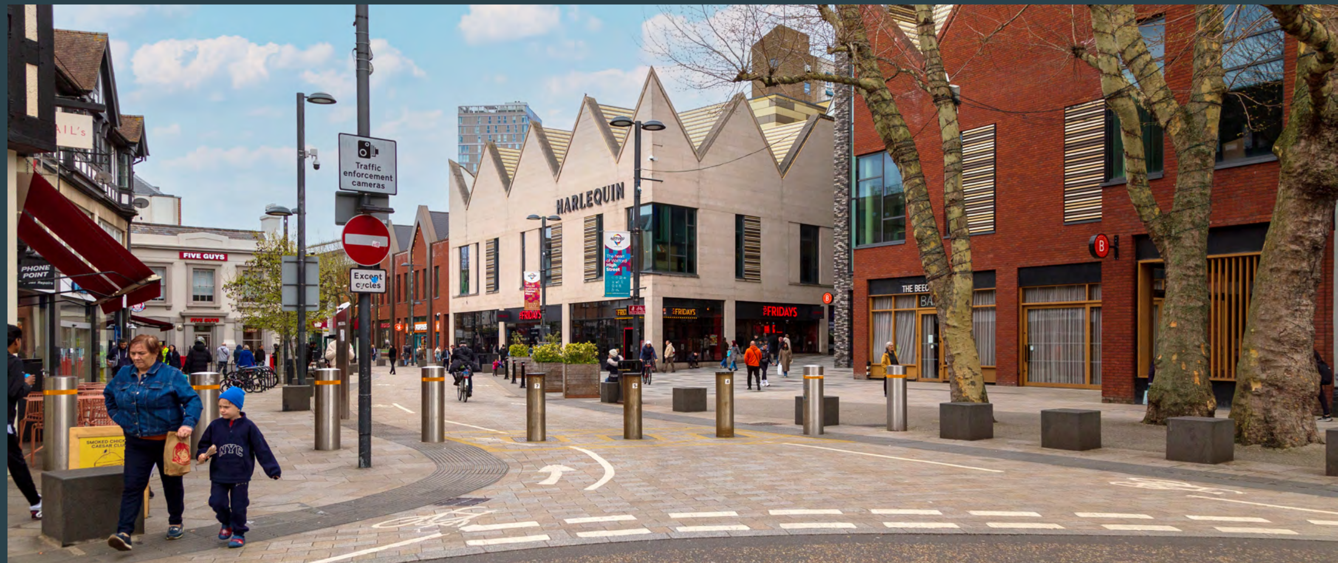
At the heart of the town centre is the Harlequin Watford Shopping Centre (formerly intu Watford), a 1.4 million sq ft regional shopping centre ranked among the top 20 in the UK. The scheme is anchored by major brands including Marks & Spencer, Apple, Zara & Next. The shopping centre also provides a strong leisure offering with Cineworld, Hollywood Bowl and a broad range of restaurants and cafes.

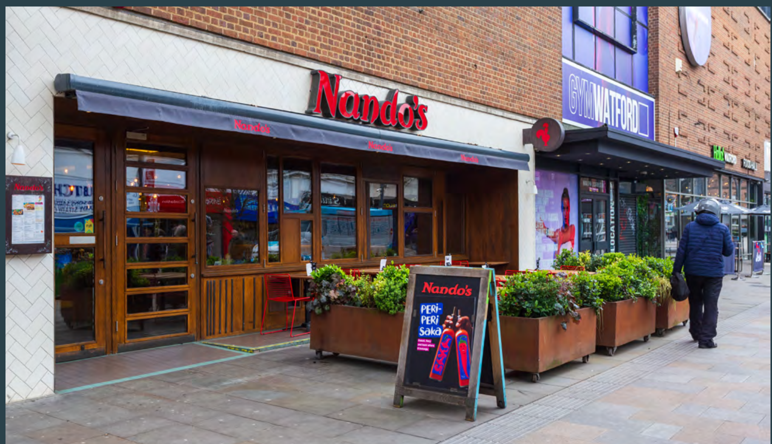
The High Street itself is an established retail and leisure pitch, home to a broad mix of national multiples, independent retailers, bars, restaurants, and service led operators. Notable High Street tenants include  Aldi, Boots, Holland & Barrett, Sports Direct, Nando's, TGI Fridays, Wagamama, Costa Coffee and soon-to-open Lidl.

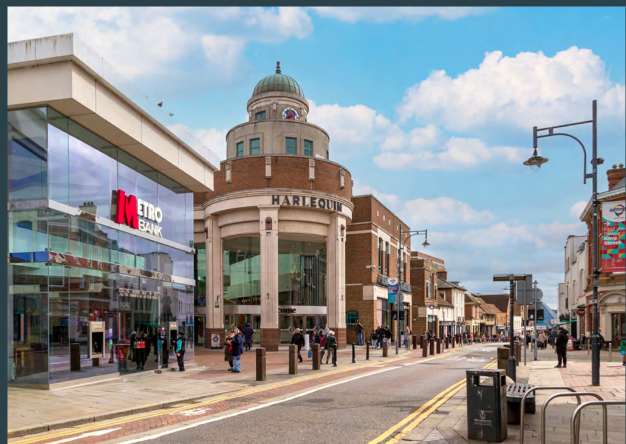
Watford also benefits from its historic market which is now located in a modern covered setting just off the High Street, supporting a local retail presence.

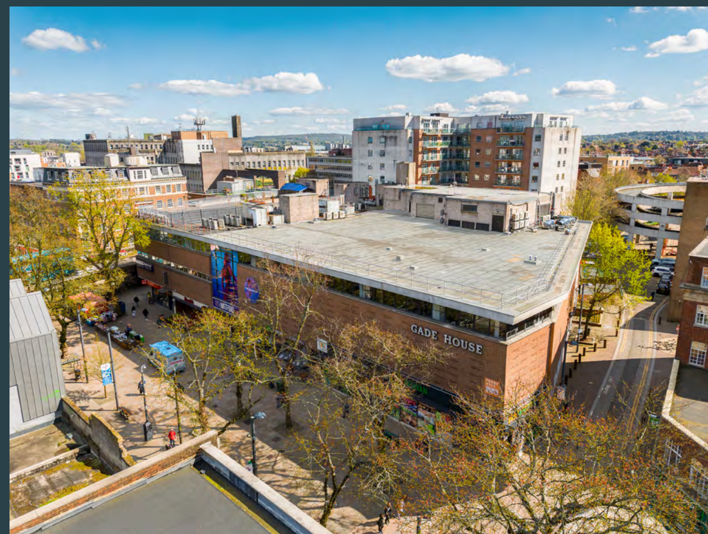


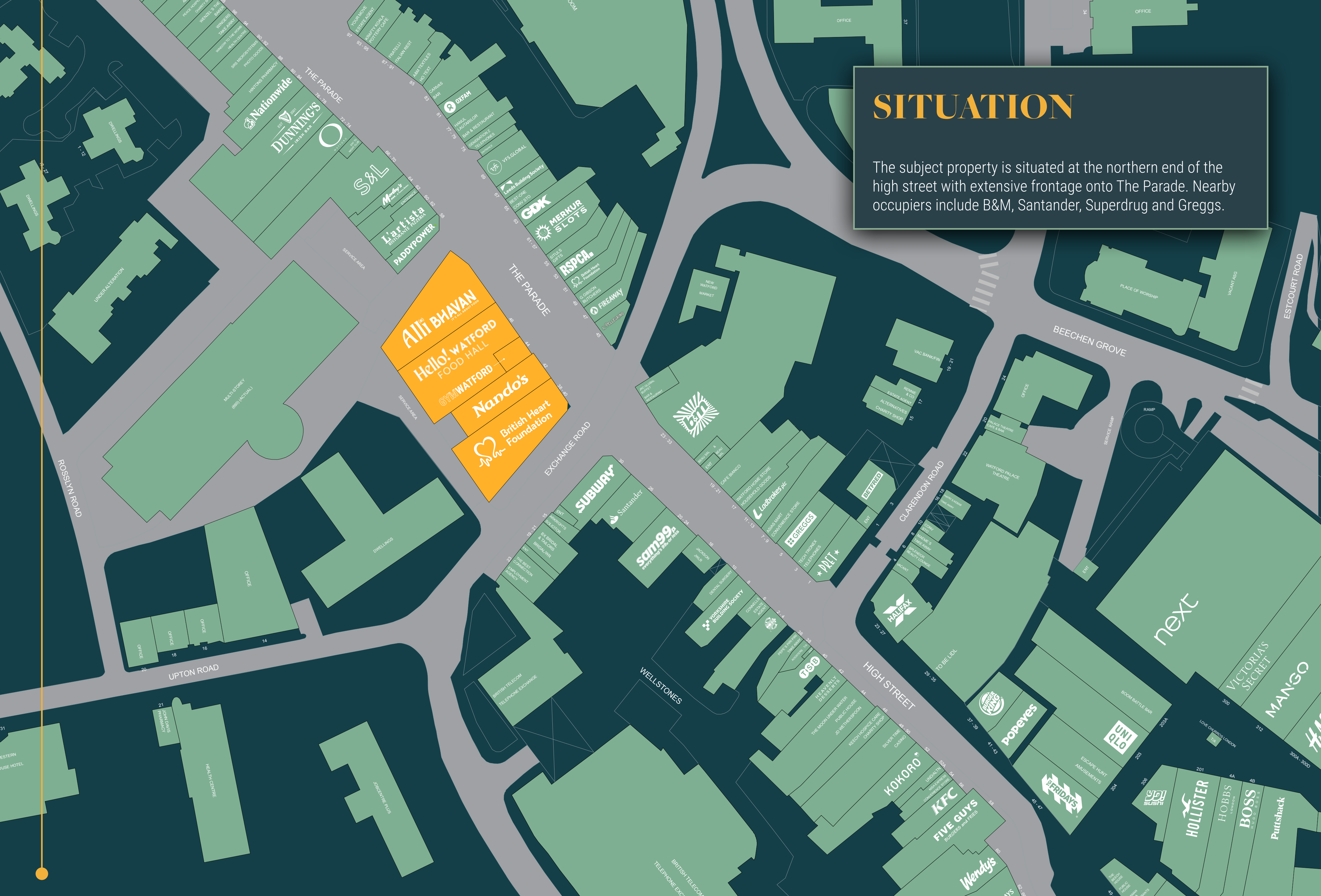






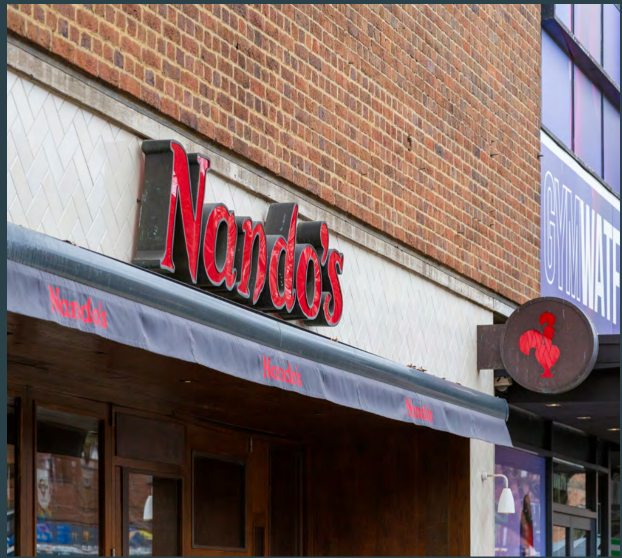

# SITUATION

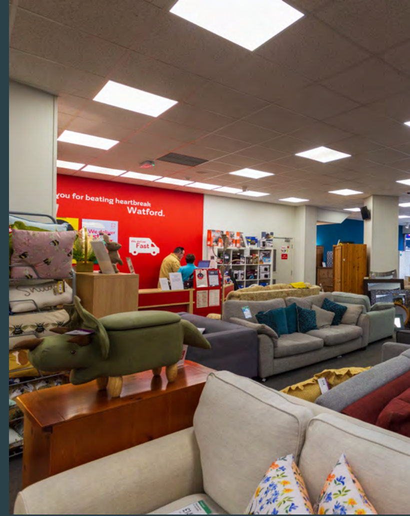
The subject property is situated at the northern end of the high street with extensive frontage onto The Parade. Nearby occupiers include B&M, Santander, Superdrug and Greggs.

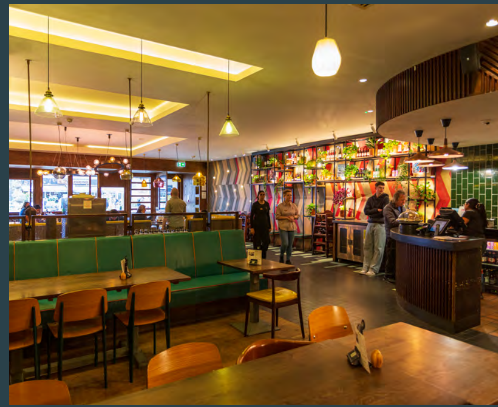
# DESCRIPTION

The property occupies a prominent and highly visible position on The Parade in central Watford. The property forms an island site totalling 102,334 sq ft.

The property consists of three ground floor retail and leisure units; a ground and lower ground floor supermarket; first and second floor gym and an events space across the first and second floors. A breakdown of the areas is shown in the tenancy schedule on page 8.



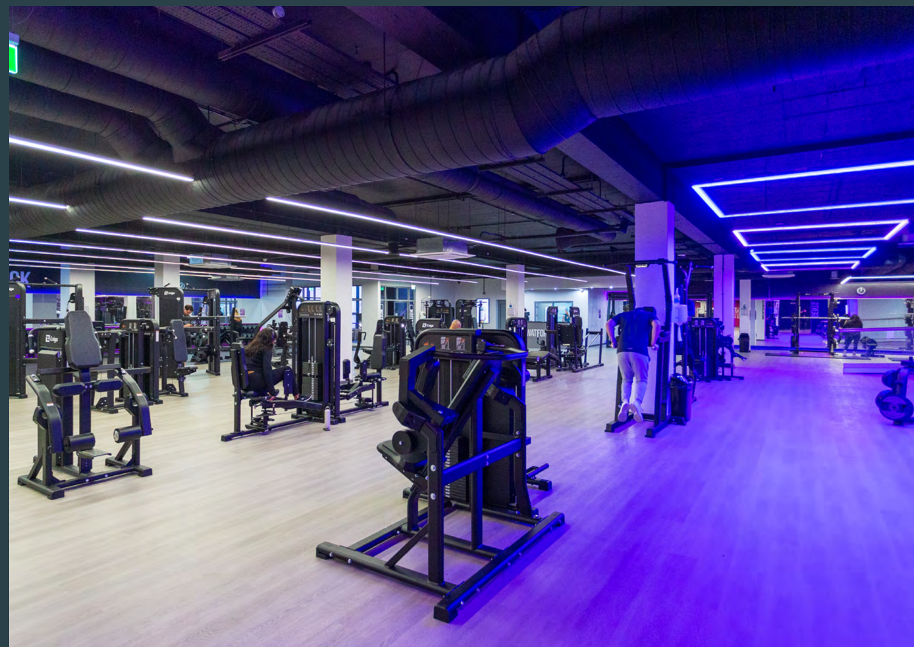





# TENURE

The property is held under three separate freehold titles: HD608766, HD552776 and HD609710.





# TENANCY & ACCOMMODATION

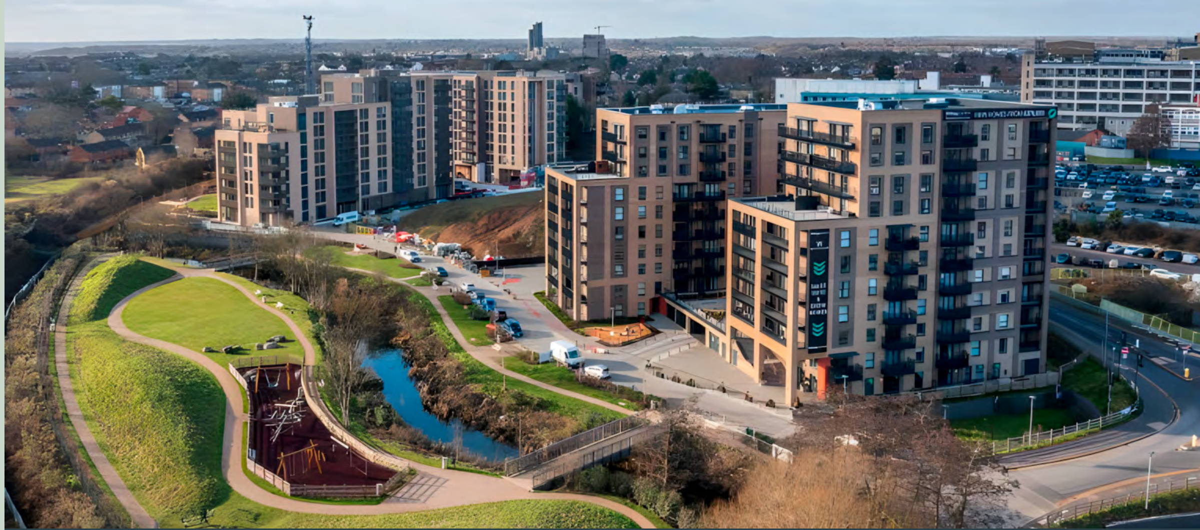
WAULT of approximately 8.3 years to expiry and 6.3 years to break.

The property is let in accordance with the tenancy schedule below.

| Address | Tenant | Floor Area (Sq Ft) | Lease Start | Rent Review | Break Date | Lease Expiry | Income (£ pa) | Shortfall | Net Income | Comments |
|---|---|---|---|---|---|---|---|---|---|---|
| 1st & 2nd Floor, 38 The Parade | Prime Venue Ltd | First Floor: 10,247<br>Second Floor: 9,892<br>**Total: 20,139** | 13/01/2025 | | | 31/08/2027 | £90,000 | £30,930.35 | £59,069.65 | The lease is inclusive of service charge. Current service charge shortfall of £30,930.85. The tenant has not operated their August 26 break. |
| 38 The Parade | British Heart Foundation | Ground Floor Sales: 6,054<br>Ground Floor Ancillary: 220<br>Ground Floor ITZA: 1,631<br>Basement: 6,658<br>**Total: 12,932** | 12/06/2020 | 12/08/2025 | | 11/08/2030 | £150,000 | £7,798.41 | £142,201.59 | Current service charge cap of £6,370.38. The service charge cap rises annually with CPI. Current service charge shortfall of £7,798.41. The tenant has not operated their August 2026 break. |
| 42 The Parade | Nando's Chickenland Ltd | Ground Floor Sales: 2,619<br>Ground Floor ITZA: 1,120<br>Basement: 2,960<br>**Total: 5,579** | 23/12/2003 | 23/12/2023 | | 22/12/2028 | £122,250 | | £122,250 | |
| 1st and 2nd Floor, 46 The Parade | GL (Sutton) Ltd t/a Gym Location | First Floor: 14,877<br>Second Floor: 18,135<br>**Total: 33,012** | 06/10/2025 | 06/10/2030 | | 05/10/2040 | £150,000 | | £150,000 | Current rent of £75,000 per annum until 05/10/2028 rising to £150,000 from 06/10/2028. The rent will be topped up to £150,000 by the vendor. Service charge cap of £67,018 pa. |
| Ground Floor, 46 The Parade | Neoma Ltd t/a Hello! Watford Food Hall | Ground Floor: 7,128<br>**Total: 7,128** | 02/12/2024 | 02/12/2029 | | 01/12/2034 | £115,000 | | £115,000 | |
| Part Ground & Basement, 46 The Parade | LSA Retail Telscombe Ltd t/a Alli Bhavan | Ground Floor: 6,732<br>Basement: 16,812<br>**Total: 23,544** | 29/11/2024 | 29/11/2029<br>29/11/2034 | 29/11/2029<br>29/11/2034 | 28/11/2039 | £155,000 | | £155,000 | Service charge cap of £40,000pa. |
| **Total** | | **102,334** | | | | | **£782,250** | | **£743,521.24** | |

# WATFORD REGENERATION

**Watford's town centre is undergoing significant transformation through various regeneration projects aimed at enhancing urban living, sustainability, and economic growth.**



Source: www.watfordriverwell.com/riverwell-history

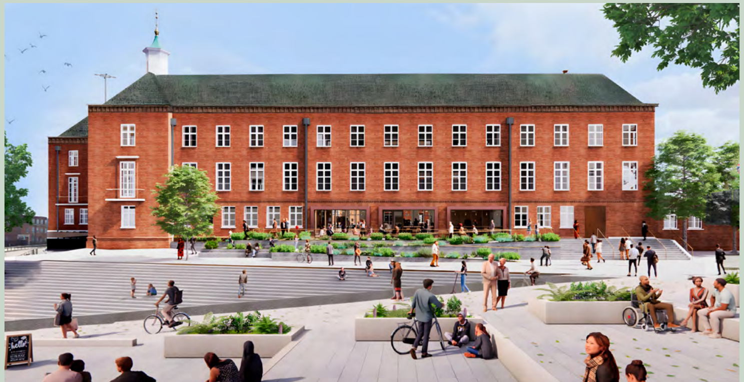
## WATFORD RIVERWELL

A £450m joint venture between Kier and Watford Borough Council, will regenerate 70 acres of land in West Watford. It is anticipated that the project will deliver 750 residential units, 150,000 sq ft of office space, 80,000 sq ft of retail and leisure space and an 80 bed hotel. Development began in 2015 and is expected to be complete by 2035.

Source: www.watfordriverwell.com/riverwell-history

## TOWN HALL QUARTER

The 10-year programme unites seven projects to revitalise the Town Hall surroundings, creating a lively neighbourhood with spaces for business and community enjoyment. It ensures the future of Watford's cherished landmarks: the Town Hall, Watford Colosseum, and the Museum.



Source: www.investhertfordshire.com/opportunity-sites/development-sites/town-hall-quarter

## WATFORD JUNCTION

The council is lobbying for improvements to Watford Junction, one of the busiest stations in the country, currently receiving an impressive 8 million visitors annually. Our planning policies support the development of significant housing and business development around Watford Junction.

This project will see Watford Junction station and lands transformed by the council in partnership with private sector developers, Network Rail, London North Western Railways and Hertfordshire County Council. This will create an exciting and vibrant quarter around the station, with plans including a new station, new shopping facilities, residential and office development, new bus stops, better walking routes and a brand-new connecting bridge.

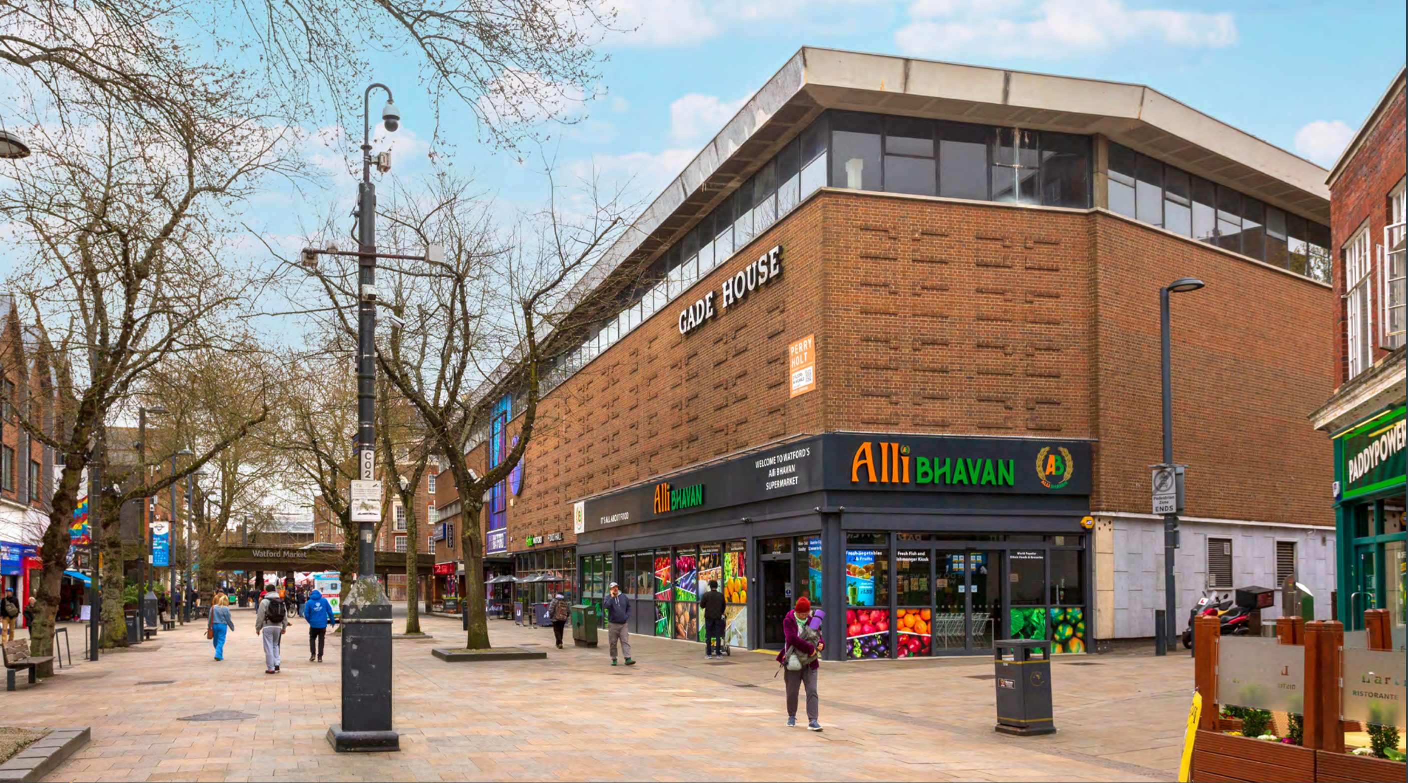
# DEVELOPMENT POTENTIAL

The property offers long-term potential for a residential-led redevelopment. The 0.82 acre island site and relatively low massing lends itself to future redevelopment subject to vacant possession and the relevant planning permissions.

A planning pre-application was prepared by ESA Architecture that shows a 7-storey residential scheme above ground floor commercial use fronting The Parade. Further details of this are available on request.

West Aerial View

South Aerial View




# FURTHER DETAILS

For further information or to arrange inspection please contact:

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## VAT

The property has been elected for VAT and any disposal will be by way of a Transfer of a Going Concern (TOGC).

## PROPOSAL

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