GOODRICH HOUSE
1 WALDEGRAVE ROAD | TEDDINGTON | TW11 8LZ

‘A VACANT POSSESSION OFFICE REFURBISHMENT / REDEVELOPMENT OPPORTUNITY’
INVESTMENT SUMMARY

- Vacant possession office refurbishment / redevelopment opportunity in the affluent town of Teddington in the London Borough of Richmond upon Thames;
- Teddington benefits from a direct and regular rail service to Central London, and excellent access to the M3, M25 and Heathrow Airport;
- The property is located in a prominent position in the heart of Teddington at the north end of the High Street, less than 5 minutes’ walk from Teddington Railway Station;
- The property comprises 3 individual buildings linked by a central courtyard, totalling 11,137 sq ft;
- The property benefits from 35 car parking spaces, which equates to an excellent urban car parking ratio of 1:318 sq ft;
- The building will be provided with vacant possession, providing excellent re-letting opportunities or potential for further development subject to planning;
- Freehold;
- Offers are sought in excess of £3,250,000 (Three Million Two Hundred and Fifty Thousand Pounds), subject to contract and exclusive of VAT.
Teddington is a town in the London Borough of Richmond upon Thames in South West London, approximately 12.5 miles from Central London.

The town is situated in an affluent area on the north bank of the River Thames, 1.5 miles to the south of Twickenham, and 2.1 miles north west of Kingston upon Thames. Bushy Park, London’s second largest Royal Park, is located immediately to the south of the town.

Teddington is strategically located for access to the national road and rail network. Great Chertsey Road and Hampton Court Road are easily reached from the town, both of which lead to the M3 and M25. In addition, both the A4 and A3 are easily accessible to the north and south respectively, providing access to the M4 motorway and the wider South East.

Teddington Railway Station provides direct, regular services to London Waterloo with a journey time of approximately 36 minutes, in addition to services to surrounding towns including Kingston upon Thames, Wimbledon and Richmond.

Heathrow Airport is also located in close proximity to the town, with a drive time of less than half an hour. Heathrow is the world’s second busiest airport, serving 185 destinations in 84 countries around the world, and this is set to increase if the proposed expansion of the airport goes ahead, as approved by the Airports Commission.

Teddington is well placed for access to a wide variety of local attractions including Twickenham Rugby Stadium, Hampton Court Palace and Kew Gardens. St Mary’s University College campus, home to over 6,000 students, is located 0.5 mile to the north of the town in Strawberry Hill.
The property is located in a prominent position in Teddington town centre. The building sits on the corner junction of Waldegrave Road and High Street, fronting the roundabout. It is situated in a mixed-use area bordered predominantly by residential buildings. Pizza Express sits directly adjacent to the property, whilst Travelodge and Nando’s are located directly opposite.

It is well located at the top of Teddington’s High Street, offering a range of national retailers including Starbucks, Boots, Marks & Spencer and WH Smith, in addition to a number of independent stores and boutiques.

The property is 0.2 miles from Teddington Railway Station, which is less than 5 minutes’ walk.

The River Thames and Teddington Lock are located 0.5 miles to the east of the property.
DESCRIPTION

Goodrich House is comprised of three pavilion style office buildings totalling 11,137 sq ft.* The buildings were constructed in the 1980s as part of a mixed-use office / residential development, and the residential apartments still exist adjacent to the property.

The buildings are arranged around a central courtyard, which is accessible via a path from Hampton Road or via a staircase leading from Waldegrave Road and the underground car park. Buildings 1 and 3 are linked by a single storey reception block.

Building 1 is arranged over ground and one upper floor, totalling 2,910 sq ft*. The building currently provides two floors of office accommodation, a small kitchen, and male and female WCs.

Building 2 fronts Waldegrave Road and has steps leading up from the pavement for access. This building is arranged over ground and two upper floors, totalling 4,420 sq ft*. The building provides office accommodation, male and female WCs and a passenger lift.

Building 3 is situated on the north eastern side of the site. It is arranged over ground and one upper floor, totalling 3,807 sq ft*. This building is currently used to provide a substantial board room and kitchen on part of the ground floor, with office accommodation on part ground and the first floor. The building includes male and female WCs.

The property benefits from 35 car parking spaces, which equates to an excellent urban car parking ratio of 1:318 sq ft*.

*based on IPMS 3 measurements.
 ACCOMMODATION

The property has been measured by Lane & Frankham in accordance with both the RICS Code of Measuring Practice (6th Edition) 2007 and the RICS Property Measurement (1st Edition) 2015, which incorporates the International Property Measurement Standard (IPMS). It provides the following Net Internal Areas (NIA) and IPMS 3 areas:

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>NIA</th>
<th>SQ M</th>
<th>SQ FT</th>
<th>IPMS 3</th>
<th>SQ M</th>
<th>SQ FT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st</td>
<td>120.6</td>
<td>1,298</td>
<td>125.5</td>
<td>1,351</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ground</td>
<td>140.1</td>
<td>1,508</td>
<td>144.8</td>
<td>1,559</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>260.7</strong></td>
<td><strong>2,806</strong></td>
<td><strong>270.3</strong></td>
<td><strong>2,910</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Building 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd</td>
<td>132.0</td>
<td>1,421</td>
<td>137.4</td>
<td>1,479</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st</td>
<td>131.7</td>
<td>1,418</td>
<td>135.0</td>
<td>1,453</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ground</td>
<td>125.4</td>
<td>1,350</td>
<td>129.8</td>
<td>1,399</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lobby</td>
<td>10.3</td>
<td>111</td>
<td>8.3</td>
<td>89</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>399.4</strong></td>
<td><strong>4,300</strong></td>
<td><strong>410.6</strong></td>
<td><strong>4,420</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Building 3</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st</td>
<td>121.0</td>
<td>1,302</td>
<td>126.3</td>
<td>1,359</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ground</td>
<td>178.8</td>
<td>1,925</td>
<td>182.9</td>
<td>1,969</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reception</td>
<td>44.5</td>
<td>479</td>
<td>44.5</td>
<td>479</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>344.3</strong></td>
<td><strong>3,706</strong></td>
<td><strong>353.7</strong></td>
<td><strong>3,807</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,004.4</strong></td>
<td><strong>10,812</strong></td>
<td><strong>1,034.6</strong></td>
<td><strong>11,137</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TENURE

Freehold.

SITE

The property is situated on a prominent corner site and the site area extends to approximately 0.26 acres (0.11 hectares). The site is outlined below.

PLANNING

The property falls within the jurisdiction of the London Borough of Richmond upon Thames. It is situated in the High Street Teddington Conservation Area. There are no listed buildings on the site. The site is bounded to the north by residential apartments and a Pizza Express restaurant, to the east by office accommodation and retail uses, to the south by a Nando’s restaurant and a Travelodge, and to the west by further office accommodation.

Since the introduction of Permitted Development Rights (PDR), allowing change of use from B1 Offices to C3 Residential without the need for planning permission, the market for vacant possession office buildings in towns across Greater London and the South East has become particularly strong. As a result, the past 2 years has seen a considerable amount of secondary and tertiary office accommodation lost to residential conversion in the Greater London and South East office markets. Teddington has been significantly impacted by PDR policies, with a number of vacant office buildings converted to alternative uses, including student accommodation, residential, and other public / leisure uses. In response, the London Borough of Richmond upon Thames Council have invoked an Article 4 Direction on the site (in place since 30th November 2014), which prevents a change of use from B1(a) Offices to C3 Residential under PDR.

Further information can be found on the Council’s website:

www.richmond.gov.uk/planning
TEDDINGTON OFFICE MARKET

Teddington’s strategic location with excellent links to the main motorway network, Heathrow Airport and Central London, has seen the town become a sought after office location within Greater London. As an office market, it is relatively small. It forms part of the wider South West London market which includes neighbouring towns of Richmond, Wimbledon, Kingston, Surbiton and Twickenham.

The sub-market area has a total existing office supply of circa 7.4M sq ft, of which circa 77% of Grade B / C is not suitable for modern occupation. There is generally tight supply across the wider market area and there is a very limited development pipeline. Levels of supply have been further reduced by a widespread loss of office space in the market to residential uses under PDR (approximately 26% of office stock in the London Borough of Richmond upon Thames). As a consequence, the council has introduced two ‘Article 4 Directions’ to prevent further change of use and has designated two ‘Key Office Areas’, in which a more stringent approach to the loss of office space applies.

There is currently only 250,000 sq ft of available space in the sub-market, equating to a vacancy rate of 3.3%.

Rents in Teddington for Grade B space currently stand in the mid £30s per sq ft. Prime rents in the area will continue to appreciate given the current lack of available office space and robust tenant demand. We expect rental levels to move closer to those in Richmond and Wimbledon (£48.00 - £55.00 per sq ft), if Grade A product is delivered to the market.

Key letting transactions:

<table>
<thead>
<tr>
<th>Date</th>
<th>Property</th>
<th>Area (Sq Ft)</th>
<th>Tenant</th>
<th>Lease Term (Break)</th>
<th>Headline Rent (£ psf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug-18</td>
<td>1 Park Road, Teddington</td>
<td>3,332</td>
<td>BMT</td>
<td>10 (3)</td>
<td>£33.50</td>
</tr>
<tr>
<td>Aug-18</td>
<td>1 Park Road, Teddington</td>
<td>5,103</td>
<td>BMT</td>
<td>10 (5)</td>
<td>£33.00</td>
</tr>
<tr>
<td>Apr-18</td>
<td>Shearwater House, Richmond</td>
<td>2,824</td>
<td>Northlander</td>
<td>5 (3.5)</td>
<td>£49.50</td>
</tr>
<tr>
<td>Oct-17</td>
<td>DST House, Surbiton</td>
<td>8,832</td>
<td>Navisite</td>
<td>10</td>
<td>£36.00</td>
</tr>
<tr>
<td>Sep-17</td>
<td>The Sidings, Station Road, Kingston</td>
<td>2,900</td>
<td>Seventy Three Retail</td>
<td>5</td>
<td>£30.00</td>
</tr>
<tr>
<td>Aug-17</td>
<td>Darpen House, 3 Water Lane, Richmond</td>
<td>5,748</td>
<td>Acumen</td>
<td>5 (3)</td>
<td>£38.50</td>
</tr>
<tr>
<td>Feb-17</td>
<td>Harlequin House, 7 High Street, Teddington</td>
<td>3,601</td>
<td>Hansen Corp Europe</td>
<td>7 (5)</td>
<td>£34.00</td>
</tr>
</tbody>
</table>
**RESIDENTIAL MARKET**

Situated on the banks of the River Thames, Teddington is an affluent and established residential location. The area is popular with commuters and families due to its leafy, village-like atmosphere, whilst benefiting from easy access to Central London. Teddington has a number of Outstanding OFSTED-rated primary and secondary schools that are situated within a mile of the site.

Residential values in Teddington fall within the mid / upper mainstream bracket, a sector of the London market that has remained robust in the face of challenging conditions. The positive performance of this segment can largely be put down to a significant supply / demand imbalance in these locations. Savills Research estimates a shortfall of c.14,000 homes per annum in London’s mainstream markets, based on an annual demand for 31,000 homes.

According to the Land Registry, the average price of a dwelling in the London Borough of Richmond upon Thames has remained relatively constant in the course of the past year, with a minor fall of 0.1% in the 12 months to July 2018. As at July 2018, the average price of a dwelling in the London Borough of Richmond upon Thames stood at £670,655, compared to £671,201 in July 2017.

**INVESTMENT MARKET**

Against the backdrop of uncertainty created by Brexit, we have continued to see encouraging investment levels over the course of 2017 and into 2018 in the Greater London and South East office markets. Pricing has remained robust as investors continue to be attracted by the relatively high yields achievable compared with both fixed income markets and the Central London property market.

This increased appetite has been further supported by the continuing supply and demand imbalance in the occupational markets, resulting from relatively strong take up levels coupled with low levels of supply due to a lack of development finance, constrained development pipeline and the increasing impact of PDR.

The investor base is becoming increasingly diverse and there remains considerable weight of demand from both domestic and overseas investors for assets with strong fundamentals. The market generally has a lack of investment stock available and as such we see current pricing levels being sustained in the short term.

Key examples of investment transactions within Greater London and the South East include:

<table>
<thead>
<tr>
<th>Date</th>
<th>Purchaser</th>
<th>Address</th>
<th>Size (sq ft)</th>
<th>Price</th>
<th>Cap Val per sq ft</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug-18</td>
<td>Squarestone</td>
<td>Melita House, Chertsey</td>
<td>13,980</td>
<td>£4,720,000</td>
<td>£338</td>
<td>Multi-let to 4 tenants.</td>
</tr>
<tr>
<td>May-18</td>
<td>RO Real Estate</td>
<td>Admiral House, Windsor</td>
<td>8,739</td>
<td>£4,000,000</td>
<td>£458</td>
<td>Planning consent to convert offices to 12 apartments.</td>
</tr>
<tr>
<td>Dec-17</td>
<td>Hi-Spirits</td>
<td>60 Marina Place, Hampton Wick</td>
<td>15,594</td>
<td>£6,700,000</td>
<td>£429</td>
<td>Hi-Spirits bought the building as an owner occupier.</td>
</tr>
<tr>
<td>Feb-16</td>
<td>38 - 42 Hampton Road, Teddington</td>
<td>Laidlaw Estates</td>
<td>24,047</td>
<td>£10,800,000</td>
<td>£449</td>
<td>12 months of income - no Article 4 Direction.</td>
</tr>
</tbody>
</table>
EPC

Available on request.

VAT

The property has been elected for VAT.

PROPOSAL

Offers are sought in excess of £3,250,000 (Three Million Two Hundred and Fifty Thousand Pounds), subject to contract and exclusive of VAT.
CONTACT DETAILS

For further information, or to arrange an inspection, please contact:

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October 2018